

NEWPORT MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
November 10, 2016

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16703 Golf Club Drive, Crosby, Texas, on November 10, 2016, in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

Jim Hembree, President
Don Cox, Secretary
Margarette Chasteen, Assistant Secretary
R. Gary Hasse, Director
David P. Guidry, Director

and the following absent:

None.

Also present were Delilah Arolfo, Brandon Smith, Andrea Martin, David Kasper, and Rich Harcrow.

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 discussed the Newport Court development. Director Cox noted that the detention pond is showing signs of erosion and requested that the engineer work with the developer to correct the erosion issue before the District takes over maintenance of the pond. Mr. Kasper will work with the developer on the matter.

With regard to Newport Place (Rochester), the developer requested an extension of the capacity letter, as well as a letter from the District accepting maintenance of the detention pond. Upon unanimous vote, the Board voted to grant extension of the capacity letter and preparation of a letter indicating the District's acceptance of the detention pond maintenance. as requested.

Mr. Kasper noted that the industrial storm water discharge permit renewal application was submitted and is under review.

Director Hembree inquired as to the status of the SJRA over conversion. Mr. Kasper informed the Board that the SJRA is moving forward with the conversion credits; however nothing has been received in writing to support this.

Director Hembree addressed the water line on North Diamondhead. After a lengthy discussion, upon unanimous vote, the Board authorized the engineer to proceed with design of installation of the new water line.

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 October 27, 2016 was 128.816 million gallons. Total ground water produced was 0.000 million gallons, and total surface water produced was 43.942 million gallons. Billed water was 23.949 million gallons with an accountability of 84%.

Rich Harcrow reported on completed and pending work at the surface water treatment plant and the status of the water wells in the system. It was reported that the valves/actuators at the surface water treatment plant need to be replaced or rebuilt. Mr. Smith will obtain pricing before the next Board meeting. Water Plant No. 1 should be online by the end of the week.

Andrea Martin reported on a delinquent account at 16107 Spinnaker Drive. Ms. Martin presented a payment arrangement request on behalf of the customer, and upon unanimous vote, the Board approved the request as presented.

Brandon Smith presented a chemical cost analysis report for the Board's review. Upon unanimous vote, the Board approved the operator's recommendation to change the chemicals being used at the surface water treatment plant and proceed with the dewatering box as presented.

Brandon Smith reported on the status of the wastewater system in the District. Total flow for the month amounted to 19.919 million gallons, with an average daily flow of 0.643 million gallons. There was 0.2" of rainfall for the month. There were no violations noted at the facility.

Mr. Smith next reported on work completed at the wastewater treatment plant and District lift stations. At Dunes Lift Station, the operator replaced a gate valve. At the Handspike Lift Station, the operator deragged Pump Nos. 1 and 2, replaced a gate valve, and installed odor block. At Flying Bridge Lift Station, the operator began repairs on valves and cleaned the valve pit. The operator deragged Check Valve Nos. 1 and 2 and cleaned the wet well area at the S. Diamondhead/FM 2100 Lift Station. Finally, at the Seven Oaks Lift Station, the operator top cleaned the wet well area.

Brandon Smith reported on the District work. There were nine water leaks and main line repairs, 10 sewer back-up and sewer line repairs, and one miscellaneous call out.

Brandon Smith report on taps in the District. There were 15 regular taps and 14 sewer taps made during the month.

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

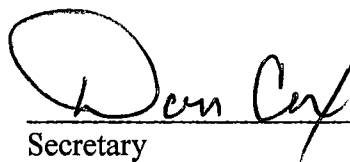
3. Brandon Smith then presented a report on District parks, a copy of which is attached. At the Port O'Call Park, the operator painted the restroom ceiling, removed dead trees, serviced the irrigation system, painted the handicap parking lots, and installed new irrigation box lids. At South Diamondhead Park, the operator painted the handicap parking spots and serviced the irrigation system. The operator reported on burglary of a vehicle and noted a

case has been filed with the Harris County Sheriff's Department. At Flying Bridge Park, the operator painted handicap parking spots, serviced the irrigation system, and repaired an irrigation line.

There were no party request for the Board's consideration. Upon unanimous vote, the Board approved the party request as presented.

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

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


Secretary