

**NEWPORT MUNICIPAL UTILITY DISTRICT**

Minutes of Meeting of Board of Directors

December 8, 2016

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16703 Golf Club Drive, Crosby, Texas, on December 8, 2016, in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

Don Cox, Secretary  
Margarette Chasteen, Assistant Secretary  
David P. Guidry, Director

and the following absent:

Jim Hembree, President  
R. Gary Hasse, Vice President.

Also present were David Kasper, Nino Corbett, Chad Rochester, Delilah Arolfo, Brandon Smith, Cullen Francis, Jeff Baughman, Rich Harcrow, Emmett Kirby, and Krystal Kirby.

In the absence of the President and Vice President, the Secretary called the meeting to order and declared it open for such business as might properly come before it.

1. Emmett Kirby of Aggressive Waste addressed the Board regarding customer complaints. Mr. Kirby reported that Aggressive Waste was having service issues due to changes in personnel, mechanical issues with trucks, and new employees learning the routes. Mr. Kirby stated that they will do their best to keep their trucks in working order and provide training to new employees.

2. David Kasper presented an engineer's report, copy of which is attached. Mr. Kasper first discussed current commercial developments and reported that the attorney has sent a revised contract to the International Union of Operating Engineer's attorney for tap and meter installations.

The engineer next discussed current bond issue projects. The engineer presented contracts for tank rehabilitation projects at the surface water treatment plant and Water Plant No. 1 and requested Board approval to advertise for bids. The Board concurred.

On the water meter replacement project, the engineer reported that bid specifications are approximately 50% complete.

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

3. Nino Corbett and Chad Rochester next addressed the Board and provided an update on their developments. Mr. Rochester reported that the sanitary sewer is 75% and the storm sewer is 50% complete.

Mr. Corbett reported that he has revised numbers for development cost for the tract across FM2100 and is studying the cost component of infrastructure to reach the plant. The first phase of the development is anticipated for the first quarter of 2018. In Newport Court, Mr. Corbett is awaiting street acceptance from Harris County. A model home may be on the ground possibly by the first week of January, 2017. There was discussion about fencing design along the backside of Newport

Court and a potential change order for trash removal along the drainage ditch. Director Cox inquired about the re-seeding of the detention pond due to potential erosion once the winter rye has dried off. Mr. Corbett will report back to the Board on re-seeding and provide a change order to Mr. Kasper as discussed.

4. 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 December 1, 2016 was 107.429 million gallons. Total ground water produced was 21.387 million gallons, and total surface water produced was 30.582 million gallons. Billed water was 26.230 million gallons with an accountability of 84%.

Jeff Baughman reported on completed and pending work at the surface water treatment plant and Water Plant No. 1.

Brandon Smith reported on the status of the wastewater system in the District. Total flow for the month amounted to 17.324 million gallons, with an average daily flow of 0.577 million gallons. There was 1.8" of rainfall for the month. There were no violations noted at the facility.

Cullen Francis next reported on work completed at the wastewater treatment plant and District lift stations. At the Handspike Lift Station, the operator deragged Pump Nos. 1 and 2, and EFS reset the overload range on Pump No. 2. At Flying Bridge Lift Station, the operator completed replacement of the pump and valve.

Rich Harcrow reported on the District work. There were 10 water leaks and main line repairs, 11 sewer back-up and sewer line repairs, and nine miscellaneous call outs.

Brandon Smith report on taps in the District. There were 16 regular taps and 18 sewer taps made during the month.

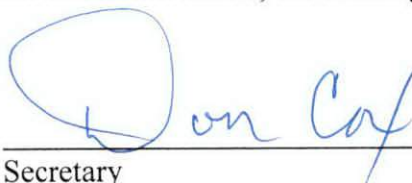
Upon unanimous vote, the Board approved the operator's report.

5. Brandon Smith then presented a report on District parks, a copy of which is attached. At the Port O'Call Park, the operator painted parking lot stripes and the restroom floors. McCann replaced the battery pack, and Foster Fence installed the midrail around the splash pad. At South Diamondhead Park, the operator painted parking lot stripes and the restroom floors, and inspected the playground equipment. At Flying Bridge Park, the operator painted parking lot stripes and the restroom floors. The operator installed a new trash can near Liberty Way crossing and removed graffiti on the trail.

There were no party requests 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