

NEWPORT MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

December 18, 2017

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16703 Golf Club Drive, Crosby, Texas, on December 18, 2017, in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

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

and the following absent:

None.

Also present were Christine Matzonkai, David Kasper, Rich Harcrow, Cullen Francis, Andrea Martin, Josh McKethan, and Dan Webb.

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

1. Dan Webb addressed the Board regarding a recent apparent suicide on park property.

2. The Board considered a Resolution Adopting Operating Budget for Fiscal Year Ending December 31, 2018. There was discussion regarding equipment purchases. Upon motion made by Director Hembree, seconded by Director Cox, the Board voted with a vote of three to two to adopt the attached Resolution Adopting Operating Budget for Fiscal Year Ending December 31, 2018, with Directors Hasse and Chasteen opposing.

3. David Kasper presented an engineer's report, copy of which is attached. With regard to Newport, Section 8, Replat 3, water, sewer and drainage construction is complete. Remaining work is to construct the streets.

With regard to new development in the District, Rochester is working on the design of the 11-acre subdivision on Golf Club Drive across from the surface water treatment plant.

With regard to 2016 bond issue projects, CFG has completed blasting operations on the hydropneumatic tanks at Water Plant No. 1, and plans to start on the ground storage tank after Christmas. With regard to the water meter replacement project, the meters and SIM card have arrived, and installation will begin shortly. With regard to the Gum Gully crossing water distribution system improvements, the engineer has made the revisions requested by the City of Houston and Harris County engineering and has resubmitted the plans for final review.

The engineer next discussed the purchase of generator. The engineer confirmed with CenterPoint that gas is available at the site for a gas generator. The Board reviewed the proposal

MP-

from Taylor Power Systems for a 450 kilowatt gas generator in the amount of \$197,827. After review of the proposal, upon unanimous vote, the Board accepted the proposal from Taylor Power Systems in the amount of \$197,827.

With regard to upcoming bond issue projects, the engineer requested and received a proposal from RJN Group in the amount of \$249,000 to perform District-wide smoke testing and inspection of all manholes.

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

4. The Board next reviewed the operations and maintenance report, a copy of which is attached. Josh McKethan reported on operations of the water system in the District. Ground water permitted through February 28, 2018 was 206 million gallons, and remaining ground water as of November 28, 2017 was 48.135 million gallons. Total ground water produced was 12.179 million gallons, and total surface water was produced was 15.533 million gallons. Billed water was 25.229 million gallons with an accountability of 96%.

Josh McKethan reported on completed and pending work at the surface water treatment plant and water plants. Pending work at the surface water treatment plant includes replacement of the hatch on the new ground storage tank, EFS to decommission the hydropneumatic tank, and replacement of the carbon pump. At Water Plant No. 1, the operator needs to rehabilitate the ground storage tank, repair Booster Pump No. 2 due to damage sustained during Hurricane Harvey, and repair the Booster Pump No. 4 valve. At Water Plant No. 2, the operator needs to replace the two-inch air relief valve.

Cullen Francis reported on the status of the wastewater system in the District, work completed at the wastewater treatment plant and District lift stations.

Rich Harcrow reported on the District work. There were 21 water leaks and main line repairs and eight sewer back-ups and sewer line repairs. The operator responded to various miscellaneous call outs during the month.

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

5. Rich Harcrow then presented a report on District parks, a copy of which is attached.

Upon unanimous vote, the Board approved the District parks report.

6. Andrea Martin presented a billing and collections report, a copy of which is attached. There was no garbage report to present.

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


Secretary