

NEWPORT MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

January 16, 2025

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16401 Country Club Drive, Crosby, Texas, on January 16, 2025, in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

Margarette Chasteen, President
DeLonne L. Johnson, Vice President
Deborah Florus, Secretary
Earl B. Boykin, Assistant Secretary
R. Gary Hasse, Director

and the following director absent:

None.

Also present were Abby Stanhouse, Kelly Shipley, Andrea Martin, Rich Harcrow, Debbie Shelton, Rhonda Gideon, Jorge Diaz, Nino Corbett, Douglas McNiel, and Lori G. Aylett.

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

1. The President entertained public comments. No public comment was presented.

2. Minutes of the meeting of December 19, 2024 were presented for the Board's review and approval. Upon unanimous vote, the minutes were approved as presented.

3. There was no garbage collection report presented.

4. Kelly Shipley presented the engineer's report, a copy of which is attached. First, Ms. Shipley presented Change Order No. 1 to Crostex Construction, Inc. for Construction of the Water, Sanitary Sewer and Drainage Facilities to Service Newport Pointe Section 5 increasing the contract amount by \$33,460.00. Upon unanimous vote, the Board approved Change Order No. 1. Next, Ms. Shipley presented Pay Application No. 4 to Crostex Construction, Inc. for Construction of the Water, Sanitary Sewer and Drainage Facilities to Service Newport Pointe Section 5 in the amount of \$428,939.64. Upon unanimous vote, the Board approved Pay Application No. 4. Then, Ms. Shipley presented Pay Application No. 3 to DC Contracting Services, LLC for Construction of the Mass Grading & Detention to Serve Newport Grove in the amount of \$249,213.10. Upon unanimous vote, the Board approved Pay Application No. 3. Next, Ms. Shipley requested authorization to advertise the traffic sign installation FM2100 at Rolling Breeze Drive project. Upon unanimous vote, the Board authorized the engineer to advertise the traffic sign installation FM2100 at Rolling Breeze Drive project. Then Ms. Shipley requested authorization to advertise for bids for the Sanitary Sewer Phase 6 Rehabilitation.

Upon unanimous vote, the Board authorized the engineer to advertise for bids for the Sanitary Sewer Phase 6 Rehabilitation.

Next, Ms. Abby Stanhouse presented Purifics Invoice No. 670 in the amount of \$2,464.18. Upon unanimous vote, the Board approved Purifics Invoice No. 270. The Board noted that the Purifics staff should communicate with the District prior to engaging in conversation with the Texas Commission on Environmental Quality ("TCEQ"), and the consultants agreed to convey this message. The engineer then reviewed the Purifics Equipment Storage Proposal with the Board. Upon unanimous vote, the Board approved the Purifics Equipment Storage proposal as presented.

Lastly, Ms. Shipley presented the supplemental engineer's report to the Board. Ms. Shipley presented Pay Application No. 8 to Nerie Construction, LLC in the amount of \$37,758.60 for Sanitary Sewer Phase 4 Rehabilitation. Upon unanimous vote, the Board approved Pay Application No. 8.

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

5. Ms. Aylett presented the updated Out-Of-District Water Service Agreement for Them Sum. Ms. Aylett informed the Board that the agreement will now state the development will "not exceed 5,000 square feet." After discussion, upon unanimous vote, the Board approved the Out-Of-District Water Service Agreements for Them Sum.

6. Lori Aylett provided an update on the District's ability to share data from the Purifics pilot study. The agreement for the Purifics pilot study specifically states that Purifics and not the District owns the data, so Ms. Aylett advised the Board to decline any requests for the data as it is not the District's data to share.

7. Debbie Shelton reported that she is working with the Newport Pointe developer and the tax assessor on sizing of the next Defined Area 1 bond issue.

8. Rhonda Gideon presented a tax assessor collector's report, a copy of which is attached. The District's 2023 taxes were 98.92% collected. Eight (8) checks were presented for the Board's review and approval, and two wire transfers were made. Upon unanimous vote, the Board approved the tax assessor collector's report as presented.

9. The Board discussed 2025 tax exemptions. The District currently offers an over-65 or disabled exemption of \$37,500. After consideration, upon unanimous vote, the Board voted to adopt the attached Order Adopting Residence Homestead Exemption for Persons 65 or Older or Disabled, with the order reflecting an exemption of \$37,500.

10. There was presented the attached Order Levying Additional Penalty for Delinquent Taxes. The order levies a 20% penalty on 2024 delinquent taxes for business personal property on April 1, 2025, and for real property on July 1, 2025. Upon unanimous vote, the Order was adopted as presented.

11. Jorge Diaz presented a bookkeeper's report, a copy of which is attached. Upon unanimous vote, the Board approved the bookkeeper's report as presented and authorized payment of bills with checks listed thereon.

12. The Board discussed an operations and billing collection report, a copy of which is attached. The District accounted for 98% of the water produced. The wastewater treatment plant operated within permit. The operator presented one customer request for reimbursement to a plumber due to a problem on the District's side of the connection. The reimbursement is for \$135. The operator discussed the billing and collections report. Upon unanimous vote, the Board approved the report as presented and authorized the \$135 reimbursement.

13. The Board discussed the utility account write-offs. It was noted that the District has a substantial amount of standby accounts and that it is very unlikely the District will ever collect from these accounts. The Board agreed that during the discussion of the utility account write-offs, the Board should also discuss the write-offs of the standby accounts. After discussion, the Board decided to table consideration of write-offs until the District's February meeting.

14. The Board discussed a parks and recreational facilities report, a copy of which is attached. 1,595 key fobs have been distributed. Director Hasse provided an update on the purchase of bird guards for protection of the park pavilion roofs. Director Hasse noted that the guards will cost roughly \$235. Upon, unanimous vote, the Board authorized Director Hasse to purchase the bird guards. Upon unanimous vote, the Board approved the parks report as presented.

15. Mr. Nino Corbett presented the developer's report for Newport Pointe. Representatives of Newport Grove were not present but indicated in a written report that they are working on the parks project with their landscape architect. Also, their lift station may not be complete before the first connections to the system are made.

16. The Board discussed public education and outreach. Director Chasteen and the engineer will work together to produce a newsletter on the construction updates in the District.

17. The Board discussed Texas Tax Code Section 26.18 compliance. The attorney advised that pursuant to a law passed several years ago, the District is required to make certain information about the District available on a publicly accessible website. The information includes names and contact information for directors of the District, the current budget and prior two years' budgets, a comparison by dollar amount and percentage of the current budget to the prior year's budget, the current and prior two years' debt service and maintenance tax rates, the proposed current year tax rate, and the current audit. The document will be required to be amended several times of the year after the adoption of the budget, proposal and levy of the tax rate, and approval of the audit. Since the District has begun a new tax year, the document must be amended to reflect that a 2025 tax has not yet been levied. Upon unanimous vote, the Board approved the Tax Code 26.18 compliance document and authorized the attorney to make it available on the District's website as required by law.

18. The Board considered an Order Rescinding Meeting Places Outside District and Designating Additional Meeting Places Outside of District. The attorney stated that her firm has new conference rooms on the 10th floor that may be utilized for District meetings, thus necessitating a revised order. Upon motion duly made, seconded, and unanimously carried, the Board approved the order as presented.

19. Ms. Aylett presented one groundwater reduction contracts with Remy Jade Generating. Upon unanimous vote, the Board approved the groundwater reduction contract.

20. The Board reviewed the memo prepared by Ms. Aylett regarding the 2025 Groundwater Reduction Contracts Multi-Year Contract CPI Calculations. The 2024 CPI was 1.0436%, so for any current multi-year contracts, the price will increase by that percentage. The Board also discussed the rate at which the District should offer new contracts in 2025. After discussion, upon unanimous vote, the Board authorized the 2025 contract price of \$5.50.

21. No Executive Session was held.

22. There was no pending business discussed.

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



Secretary