

NEWPORT MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

May 16, 2024

The Board of Directors (“Board”) of Newport Municipal Utility District (“District”) met at 16401 Country Club Drive, Crosby, Texas, on May 16, 2024, 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 Jorge Diaz, Billy Killian, Kelly Shipley, Andrea Martin, Rich Harcrow, Clint Sutton, Jeff Baughman, Eileen Fashoro, Rhonda Giddeon, Justin Waggoner, 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 Chair called for public comment. No public comment was presented.
2. Minutes of the meetings of April 18 and May 2, 2024 were presented for the Board’s review and approval. Upon unanimous vote, the minutes were approved as presented.
3. The Board President executed certificates of election indicating that Margarette Chasteen and R. Gary Hasse were duly elected, and the Board accepted the certificates of election as presented. The newly elected directors each executed a letter of qualification, statement of officer, and oath of office. They also completed conflict of interest disclosure statements and received a memorandum regarding completion of required open meetings and public information act training. After discussion, upon unanimous vote, the Board accepted the letters of qualification, statements, and oaths of office of Directors Chasteen and Hasse and they began participating in the meeting effective immediately.
4. After discussion, the Board agreed to maintain the same slate officers.
5. Lori Aylett reported that with the new terms of office for Directors Chasteen and Hasse, her office will need to update the Tax Code §26.18 transparency document. The Board authorized the attorney to do so.
6. Billy Killian provided a trash collection report.

7. Kelly Shipley presented the engineer's report. She first presented Pay Application No. 4 and Final to the Crostex Construction contract for the construction of the sanitary sewer force main extension in the amount of \$83,904.30. Upon unanimous vote, the Board approved Pay Application No. 4 and Final and concurred with developer's payment of such pay application and acceptance of the project.

The engineer next presented Pay Application No. 4 for Newport Pointe Section 2 water, sewer and drainage construction to Crostex Construction in the amount of \$96,493.90. The engineer recommended Board concurrence in the developer's payment of such pay application, and the Board concurred.

The engineer next presented Pay Application No. 5 for Newport Pointe Section 3 water, sewer and drainage construction to Crostex Construction in the amount of \$13,102.60. The engineer recommended Board concurrence in the developer's payment of such pay application, and upon unanimous vote, the Board so concurred.

Ms. Shipley presented Pay Application No. 3 for Newport Pointe Section 4 water, sewer and drainage to Crostex Construction in the amount of \$260,738.32 and recommended Board concurrence in the developer's payment of such pay application. Upon unanimous vote, the Board approved and concurred in the developer's payment of the pay application.

The engineer next presented Pay Application No. 3 for water, sewer and drainage construction for Newport Pointe Section 4 with contractor Crostex Construction in the amount of \$441,734.99. The engineer recommended Board concurrence in the developer's payment of the pay application, and the Board concurred. Related to that contract, the engineer presented Change Order No. 1 in the amount of \$95,155.80 for additional costs for the construction of a pipeline concrete cap. Upon unanimous vote, the Board approved the change order as presented.

The engineer next reported on the status of the Newport Grove development within Defined Area 2. The developer Taylor Morrison has requested authorization to bid for the offsite water line and sanitary sewer force main and lift station and Section 1 water, sewer and drainage construction. The Board authorized the developer's engineer to advertise for bids as requested.

The engineer turned to District projects. She presented Pay Application No. 9 to the South Diamondhead Boulevard water and sanitary sewer relocation project to AR Turnkey in the amount of \$367,427. Upon unanimous vote, the Board approved the pay application as presented. The engineer further reported that the lift station was operational on May 9. TxDOT has noted that some of the District's abandoned property needs to be removed, and this work will necessitate a change order that the engineer anticipates not to exceed \$10,000. The engineer will get more details before making a recommendation to the Board.

Ms. Shipley then presented Pay Application No. 12 to FMG for construction of the wastewater treatment plant control building in the amount of \$148,398.68. Upon unanimous vote, the Board approved the pay application as presented.

With regard to the Purifics project, the engineer is moving forward with TCEQ plan submission and approval. Regarding the aeration system at water plant 1, the engineer continues to investigate and inspect.

The engineer presented updates to the capital improvements plan which included phasing for the sanitary sewer rehabilitation project and additional explanation regarding percentages completed and to be completed. The engineer noted the lift stations have performed better during recent rainfall, so the District's rehabilitation efforts are working.

The engineer solicited three bids for the rehabilitation work at water well 2 and received two. The engineer recommended award of the contract to Alsay in the amount of \$52,050 for television inspection and water analysis of water well 2, and the Board approved the contract and the work to be performed.

8. There was presented the attached Order Authorizing Filing Application for Approval of Engineering Plans and Issuance of Bonds on Behalf of Defined Area 1. Upon unanimous vote, the Board approved the Order as presented and authorized the engineer to complete and file the bond application.

9. The Board reviewed a change order for the Newport Pointe lift station and pay estimate with Insurers Indemnity Company. Upon unanimous vote, the Board approved the change order and pay estimate as presented.

10. Lori Aylett presented an attorney's report. During the month, she has assisted the engineer with the plan review processes and procedures for the Purifics project. She has also assisted the engineer with review of the bond application report.

11. Rhonda Gideon presented a tax assessor collector's report, a copy of which is attached. The District's 2023 taxes were 97.39% collected. Eighteen checks and two wire transfers were presented for the Board's review and approval. Upon unanimous vote, the Board approved the tax assessor collector's report as presented.

12. Jorge Diaz presented a bookkeeper's report, a copy of which is attached. He reviewed the checks and invoices with the Board in some detail. Upon unanimous vote, the Board approved the bookkeeper's report as presented and authorized payment of bills with checks listed thereon.

13. The Board reviewed the operations report, a copy of which is attached. The District's water accountability was 96%. The sewage treatment plant operated with no permit violations. The Board reviewed completed work in detail. The operators reported that Texas A&M completed an energy consumption analysis at the wastewater treatment plant, and a written report will be forthcoming.

Andrea Martin presented the billing and collections report. Total current payments were \$465,644.02. Total current billing was \$479,866.52. Upon unanimous vote, the Board approved the operations report as presented.

14. Rich Harcrow presented a parks and recreational facilities report, a copy of which is attached. The District has issued 1,464 key fobs. The splash pads were opened on April 19. Upon unanimous vote, the Board approved the parks report as presented.

15. The Board briefly discussed property acquisition from Newport Property Owners Association. The District will need a title policy, and one has been ordered.

16. The Board considered developers' reports. Eileen Fashoro noted that after diligent inquiry, there appears to be no easement on file for the large trunk main that runs through Rampart property adjacent to the sewage treatment plant. Rampart is willing to grant an easement but will need engineering assistance with a description. The engineer will provide such assistance. Ms. Shipley will also provide acreage for a potential forebay at the surface water treatment plant.

The Board discussed a potential lot donation from Rampart. There are approximately 11 properties to be donated by the developer. The operator and Director Hasse will inspect the properties so that the Board can be prepared to act at the next meeting.

17. The Board tabled consideration of conveyance of detention ponds A and B in the Newport Pointe subdivision and a corresponding maintenance agreement with the Newport Pointe Property Owners Association. The developer still needs to provide some details of the maintenance responsibilities.

18. The Board considered an annual review of the park rules and the newly-added park facilities. The Board authorized the engineer to update the District map showing District-owned properties and facilities.

19. Director Chasteen reported on the activities of the Newport Junior Park Rangers program. A kite-flying event is set for Port O' Call Park on Saturday.

20. The Board discussed public education and outreach. The next subject will be preparation for hurricane season. Justin Waggoner reported that the District had 1,600 distinct website hits, and 3,367 alerts had been set up in the system.

21. There were no groundwater reduction contracts for the Board's consideration.

22. There was no need for an executive session.

23. Under pending business, Director Johnson spoke briefly on public outreach matters.

24. The Board considered public comments. No public comments were presented.

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


Secretary