

NEWPORT MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

May 21, 2026

The Board of Directors (“Board”) of Newport Municipal Utility District (“District”) met at 16401 Country Club Drive, Crosby, Texas, on May 21, 2026, in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

DeLonne L. Johnson, President
R. Gary Hasse, Vice President
Deborah Florus, Secretary
Brandon Lankford, Director

and the following director absent:

None.

Also present Kelly Shipley, Brent Fleischer, Rich Harcrow, Debbie Shelton, Brittini Silva, Jorge Diaz, Lori G. Aylett and Douglas McNiel.

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. Hearing none, the Board continued with the meeting.

2. Minutes of the meeting of April 16, 2026, 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 DeLonne Johnson, Deborah Florus and Brandon Lankford 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 Johnson, Florus and Lankford and they began participating in the meeting effective immediately.

4. After discussion, the Board agreed to maintain the existing slate of officers.

5. The Board then acknowledged the distribution of conflict disclosure questionnaires and forms for completion by all directors. No conflicts were disclosed.

6. No garbage collection report was provided.

7. Kelly Shipley presented the engineer’s report, a copy of which is attached. Ms. Shipley presented updates for developer projects. Ms. Shipley presented Progress Estimate No. 1 for Construction of the Water, Sanitary Sewer and Drainage Facilities and Paving and Appurtenances to Serve North Diamondhead Boulevard Phase 2 and Newport Pointe Section 6 in

the amount of \$452,397.54. Then, Ms. Shipley reviewed the updated Water and Wastewater Capacity Commitment Newport Pointe Section 2 Reserve A for one (1) additional equivalent single-family connections (ESFC), bringing the total ESFCs to 28. Then, Ms. Shipley reviewed the renewal of Water and Wastewater Capacity Commitment Newport Pointe Section 8 for 47 ESFCs. After discussion, upon unanimous vote, the Board approved Progress Estimate No. 1, the one (1) additional ESFCs for Newport Pointe Section 2 Reserve A and the renewal of the 47 ESFCs for Newport Pointe Section 8.

Then, Ms. Shipley presented updates on District projects. First, Ms. Shipley presented Change Order No. 3 to Industrial TC Corp. for Surface Water Treatment Plant Expansion increasing the total bid price by \$6,718.58 for additional concrete paving. Then, Ms. Shipley presented Pay Application No. 15 to Industrial TX Corp. for Surface Water Treatment Plant Expansion in the amount of \$882,431.25. Then, Ms. Shipley presented Invoice No. 735 from Purifics Water Inc. for equipment shipment in the amount of \$37,372.88. Next, Ms. Shipley presented Pay Application No. 4 to T Gray Utility/AIMS, LLC for Sanitary Sewer Phase 5 Manhole Rehabilitation in the amount of \$77,780.70. Then, Ms. Shipley presented Pay Application No. 5 to Bull G Construction, LLC for Sanitary Sewer Phase 6 Rehabilitation in the amount of \$34,514. Then, Ms. Shipley presented Pay Application No. 2 to All Team Solutions, LLC for Sanitary Sewer Phase 8 Manhole Rehabilitation in the amount of \$22,320. Then, Ms. Shipley presented the proposal from Axis Construction, L.P. for the purchase of a Kasco Municipal Mixer Package in the amount of \$13,940 and a proposal from Si Environmental for the installation of the Mixer for \$5,850. Next, Ms. Shipley requested authorization to being the design on the Surface Water Treatment Plant Generator Replacement, the Helmsman Lift Station Rehabilitation, and the Sanitary Sewer Phase 10 Rehabilitation.

Then, Ms. Shipley informed the Board that Harris County has changed its position on the Patiowoods Drainage Improvements Project and is no longer interested in sharing costs with the District. Given the County's position, Ms. Shipley recommends that the Board does not move forward with previously discussed funding for drainage improvements. Lastly, Ms. Shipley requested the Board authorize the engineer to begin preparation of the District's Bond Application No. 10 in the amount of \$15,000,000.

After discussion, upon unanimous vote, the Board approved Change Order No. 3, Pay Application No. 15, Invoice No. 375, Pay Application No. 4, Pay Application No. 5, and Pay Application No. 2. The Board also approved the proposals for the purchase and installation of the Kasco Municipal Mixer. Next, the Board authorized the engineer to begin the design on the Surface Water Treatment Plant Generator Replacement, the Helmsman Lift Station Rehabilitation, and the Sanitary Sewer Phase 10 Rehabilitation. Lastly, the Board authorized the engineer to prepare the District's Bond Application No. 10 for \$15,000,000.

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

8. The Board reviewed the attached Order Authorizing Filing of Application for Approval of Texas Commission on Environmental Quality of District Engineering Project and Issuance of Bonds for Defined Area 1. Upon unanimous vote, the Board approved the order and application as presented.

9. The Board tabled the First Amendment to the Water Supply and Groundwater Reduction Contract with Harris County Municipal Utility District No. 578, as the draft has not yet been received from counsel for MUD 578.

10. The Board discussed a proposed Cost-Sharing Agreement with Harris County MUD 578 to upsize certain water lines for the benefit of Newport MUD. Certain lines in the new development can be made larger to provide additional fire protection at Newport's wastewater treatment plant. The Board indicated their willingness to pay the cost differential for the larger line segments and authorized the attorney to draft the contract.

11. The office and meeting building committee presented updates. Director Hasse led a discussion regarding the building plans. After discussion, it was decided that Director Hasse will inform the architect to move forward with the presented Plan A.

12. Lori Aylett discussed a request from the developer of Newport Grove for the Board to accept conveyance of Newport Grove Park. The engineer and operator stated that the park was complete with minor punchlist items to be completed. After discussion, upon unanimous vote, the Board acceptance of conveyance of the Newport Grove Park.

The attorney reported receipt of a request from T-Mobile for authorization to make a like-kind replacement of certain telecommunications equipment at the surface water plant. The engineer will assist in review of any plans and coordination with the plant contractor.

13. Debbie Shelton presented two cash flow analyses detailing the District's bond capacity. The first analysis indicates that the District can issue the Defined Area 1 bonds based upon preliminary values. The second analysis indicates that the District can issue the proposed \$15 million bond issue by reallocating maintenance taxes to debt services, which has always been the District's long-term plan.

14. Brittni Silva presented a tax assessor collector's report, a copy of which is attached. The District's 2025 taxes were 96.39% collected. Thirteen (13) checks were presented for the Board's review and approval, and one (1) wire transfer was made. Defined Area No. 1's 2025 taxes were 90.23% collected. No checks were presented for the Board's review and approval, and one (1) wire transfer was made. The Defined Area No. 2's 2025 taxes were 100% collected. No checks were presented for the Board's review and approval, and zero wire transfers were made. Upon unanimous vote, the Board approved the tax assessor collector's report as presented.

15. 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.

16. Rich Harcrow presented the operations and billing collections report, a copy of which is attached. The District accounted for 98% of the water produced. The wastewater treatment plant operated within permit. There were zero (0) new taps made for the month. Total current billing was \$515,584.18, and the District received collections from prior months of \$567,285.13. Then, the operator informed the Board that a flyer regarding paperless billing will be included in the June billing. Upon unanimous vote, the Board approved the report as presented.

17. The Board discussed the utility account write-offs. The operator requested that the Board table this agenda item until the July meeting.

18. Mr. Harcrow presented the parks and recreational facilities report, a copy of which is attached. Mr. Harcrow informed the Board that 1,805 key fobs have been issued as of December 2025. The operator discussed the park signs and two quotes from Lazy D Services, LLC for six (6) park sign frames one for steel frames and one for metal frames. Director Hasse recommended that the operator get a quote for galvanized frames. After discussion, upon unanimous vote, the Board approved the parks and recreational facilities report as presented and, upon review of the quote for galvanized frames, authorized Director Hasse to approve a reasonable quote for the new sign frames.

19. The Board reviewed the Rules and Regulations for District Parks, Recreational Areas and District Property, Facilities, Easements and Rights-of-Way. The attorney, operator, and Board suggested certain revisions to the Rules and Regulations, and the revised order will be presented at the June meeting.

20. The attorney for the District then discussed with the Board the requirements of HB 1500 and HB 3512 recently enacted by the Texas Legislature requiring all elected and appointed officials to take an artificial intelligence training program and a cyber security training program. The attorney advised that an email regarding the matter will be sent to all directors with a link for a training course to be completed by August 31, 2026.

21. No developer's report was presented.

22. The attorney provided an update on the Structure Lease Agreement with New Cingular Wireless PCS, LLC. The attorney is awaiting a response to her comments from New Cingular and will provide additional updates at future meetings.

23. The Board considered amendments to the Resolution Outlining Procedures for Naming District Facilities and Parks and Recreation Facilities. The attorney noted that the procedures could be amended to allow for naming a facility after an individual who made a "significant contribution to the District." After discussion, upon unanimous vote, the Board adopted the attached Resolution Outlining Procedures for Naming District Facilities and Parks and Recreation Facilities, which will allow the naming of a facility after an individual who made a "significant contribution to the District." The Board then voted to name the new building at the surface water treatment plant after the recently deceased Jeffrey A. Baughman, who, through his years of work as the District's operator, made a significant and lasting contribution to the District and its residents.

24. The Board discussed public education and outreach. Director Florus will coordinate with the website manager and request that the June newsletter focus on hurricane preparedness.

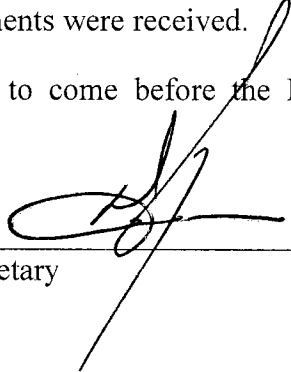
25. Ms. Aylett presented one (1) groundwater reduction contract for review. After discussion, upon unanimous vote, the Board approved the groundwater reduction contract with Houston Garden Center.

26. No executive session was held.

27. Under pending business, the Board discussed a request from the Newport Property Owners' Association to permit the law enforcement officers to use ATVs on the District's trails. The Board noted that they have no objection to law enforcement using ATVs on the trails, so long as the use does not interfere with the lawful use of the residents.

28. No additional public comments were received.

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



Secretary