

NEWPORT MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

April 17, 2025

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16401 Country Club Drive, Crosby, Texas, on April 17, 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 Brittney Barker, Josh Rambo, Billy Killian, Abby Stanhouse, Kelly Shipley, Andrea Martin, Rich Harcrow, Debbie Shelton, Rhonda Giddeon, Jorge Diaz, Bobby Skinner, Channing Corbett, 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. No public comment was presented.

2. Minutes of the meeting of March 20, 2025, were presented for the Board's review and approval. Upon unanimous vote, the minutes were approved as presented.

3. Billy Killian presented a brief garbage collection report. He requested a map of the District which details the house count per section. The engineer will provide Mr. Killian with the requested information.

4. Kelly Shipley presented the engineer's report, a copy of which is attached. First, Ms. Shipley presented updates for developer projects. Ms. Shipley reviewed the three (3) bids for the Construction of Lake "D" to Serve Newport Pointe and Cleaning & Grubbing to Serve FM2100 Tracts and recommended that the Board award the contract to DC Contracting Services, LLC for a total bid amount of \$976,043 and 110/130 calendar days construction time. After discussion, upon unanimous vote, the Board awarded the contract for Construction of Lake "D" to Serve Newport Pointe and Cleaning & Grubbing to Serve FM2100 Tracts to DC Contracting Services, LLC. Next, Ms. Shipley reviewed the two (2) bids received for the Construction of the Proposed Traffic Signal Installation FM 2100 at Rolling Breeze Drive contract and recommended that the Board concur with the developer's award of the contract to Statewide Traffic Signal Company for a total bid amount of \$260,208.25 and 90/120 calendar days construction time. There are no reimbursable items in the contract, but the District engineer reviewed the plans to assure

that there are no potential utility conflicts. After discussion, upon unanimous vote, the Board concurred with award of the contract for the Construction of the Proposed Traffic Signal Installation FM 2100 at Rolling Breeze Drive contract to Statewide Traffic Signal Company. Then, Ms. Shipley presented Pay Estimate No. 5 to DC Contracting Services, LLC for Construction of the Mass Grading & Detention to serve Newport Grove in the amount of \$77,293.80. Next, Ms. Shipley presented Pay Estimate No. 1 to 5J Services, LLC for Construction of the Newport Grove Lift station No. 1 in the amount of \$353,250. Then, Ms. Shipley presented Change Order No. 2 to TexasSite, LLC increasing the amount of the contract for Construction of the Water, Sanitary Sewer, and Drainage Facilities to Serve Newport Grove Section 1 by \$32,820. Then, Ms. Shipley presented Pay Estimate No. 3 to TexasSite, LLC for Construction of the Water, Sanitary Sewer, and Drainage Facilities to Serve Newport Grove Section 1 in the amount of \$118,043.20.

Next, Ms. Shipley presented updates on District projects. Ms. Shipley presented Pay Application No. 2 to TX Corp. for Surface Water Treatment Plant Expansion in the amount of \$90,787.50. After discussion, upon unanimous vote, the Board approved Pay Application No. 2. Then, Abby Stanhouse presented Purifics Water Inc. invoice No. 687 for equipment storage (including insurance) for March 2025 and April 2025 in the amount of \$10,000. After discussion, upon unanimous vote, the Board approved Purifics Water Inc. invoice No. 687. Next, the engineer informed on the status of the District's Federal Emergency Management Agency ("FEMA") claims from Hurricane Harvey for the wastewater treatment plant building.

Lastly, Ms. Shipley reviewed the supplemental engineering report. Ms. Shipley reviewed the six (6) bids for the Sanitary Sewer Phase 6 Rehabilitation and recommended that the Board award the contract to Bull G Construction, LLC for a total bid amount of \$732,614 and 180 calendar days construction time. After discussion, upon unanimous vote, the Board awarded the contract for the Sanitary Sewer Phase 6 Rehabilitation to Bull G Construction, LLC.

Upon unanimous vote, the Board approved the engineer's report as presented and all action items in the report.

5. There were no updates to the Out-of-District Water Service Agreements with Newport Plaza and Them Sum to be presented.

6. Josh Rambo presented an audit report of the District's books and records for the fiscal year ended December 31, 2024. The auditor is issuing an unmodified "clean" opinion. The District has a very healthy reserve in the general fund. The Board reviewed their revenues and expenditures in detail. Upon unanimous vote, the Board approved the audit report and authorized its filing as required by law.

7. The attorney noted that with approval of the District's audit, the District is required to update the transparency report required by Tax Code Section 26.18. Upon unanimous vote, the Board authorized the attorney to update the compliance document.

8. There was presented the attached Resolution Affirming Review of Investment Policy, Strategies and Objectives and a list of approved brokers/dealers. The attorney noted that according to the Public Funds Investment Act, the District is annually required to review its investment policy to assure its compliance with Texas law. The attorney recommended no

revisions to the investment policy, and the auditor's report noted no deficiencies with respect to how the District's investments are handled. The Board reviewed the list of brokers/dealers to be authorized to engage in investment transactions with the District. Thereafter, upon unanimous vote, the Board adopted the Resolution and the broker/dealer list as presented.

9. The Board considered review of the District's investments for compliance with Senate Bill 253 adopted in the 85th Texas Legislature. The attorney reminded the Board that Senate Bill 253 prohibits the District from investing with entities that support terrorist organizations. The District's investment officer must periodically review a list of such entities that will be prepared by the Texas Comptroller of Public Accounts and made available on its website. The Board authorized the investment officer to perform periodic reviews to confirm compliance with Senate Bill 253.

10. The attorney discussed the continuing disclosure filing required with regard to the District's outstanding bonds. Pursuant to bond orders previously adopted, the District is required to annually update certain material information, including the audit, that might be of interest to District bondholders. Upon unanimous vote, the Board authorized the attorney to make the continuing disclosure filing as required by law.

11. Lori Aylett provided an attorney's report notifying the Board the claim for payment filed against FMG Construction Group, LLC by GulfTex Electric, Inc. related to the wastewater treatment plant ("WWTP") operations building in the amount of \$8,600. The attorney for GulfTex Electric has requested a copy of the construction contract and payment bonds, which will be provided. Then, Ms. Aylett recommended that the Board have a special meeting to review the District's Groundwater Reduction Permit ("GRP"). Ms. Aylett also informed the Board that she has been fielding calls from developers interested in Newport. Director Johnson mentioned that the District should use its resources—groundwater credits and a surface water plant—to benefit from the region's water scarcity issues.

12. Debbie Shelton discussed the District's next Defined Area 1 bond issue. The financial advisor is working with the engineer on sizing and timing..

13. Ms. Shelton reviewed the Preliminary Official Statement and Notice of Sale of \$16,890,000 Newport Municipal District Unlimited Tax Bonds, Series 2025. The Board and the consultants discussed the timing of the bond sale. It was decided that due to the volatility of the market, the Board will designate Director Johnson to authorize the financial advisor to advertise the bond sale on May 2, 2025, the final day that the District can prepare to advertise for the sale prior to the May 15 sale date. Upon unanimous vote, the Board approved the Preliminary Official Statement and Notice of Sale and determined that the sale would be conducted in May, upon final authorization by Director Johnson on May 2, 2025.

14. Rhonda Giddeon presented a tax assessor collector's report, a copy of which is attached. The District's 2024 taxes were 96.39% collected. Twelve (12) checks were presented for the Board's review and approval, and two (2) wire transfers were made. The Defined Area No. 1's 2024 taxes were 95.41% collected. Zero (0) checks were presented for the Board's review and approval, and one (1) wire transfer was made. Upon unanimous vote, the Board approved the tax assessor collector's report as presented.

15. Ms. Giddeon presented that the 6th Amendment to Assessments of the Southwest Inc. contract. The 6th Amendment increases the per account per month rate from \$0.98 to \$1.05. The previous Amendment was approved by the Board in May 2022. After discussion, upon unanimous vote, the Board approved the 6th Amendment to Assessments of the Southwest Inc. contract.

16. 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.

17. Rich Harcrow and Andrea Martin presented the operations and billing collections report, a copy of which is attached. The District accounted for 99% of the water produced. The wastewater treatment plant operated within permit. Ms. Martin updated the Board on a District customer's health incident in the District's office. The customer unfortunately passed, and Ms. Martin remarked upon the professionalism with which the operations staff handled the delicate incident. Upon unanimous vote, the Board approved the report as presented.

18. The operators and the attorney reviewed the Contract with Frontier Communications for internet at the Wastewater Treatment Plant Operations Building. After discussion, upon unanimous vote, the Board approved the Contract with Frontier Communications for internet at the Wastewater Treatment Plant Operations Building.

19. Mr. Harcrow presented the parks and recreational facilities report, a copy of which is attached. Mr. Harcrow informed the Board that 1,641 key fobs have been issued as of April 2025. Mr. Harcrow presented proposals from Citywide Audio Video Security LLC for upgrades to the security equipment at the District's parks. The proposals included \$1,555.78 for Flying Bridge Park, \$2,333.68 for Port O' Call Park and \$1,555.78 for South Diamondhead Park. Upon unanimous vote, the Board approved the parks report as presented and approved the proposals for upgrades to the security equipment at the District's parks.

20. Ms. Britney Barker presented a request for fencing and modifications at Via Dora Park to support inclusion of children on the autism spectrum. Ms. Barker explained how the fencing would benefit both children on the autism spectrum and the children's caregivers. Ms. Barker also noted that children on autism spectrum find sensory enjoyment from swing sets and requested the District install a swing set at Via Dora Park. The Board commended Ms. Barker for her efforts in increasing the accessibility of the District's parks. Mr. Harcrow presented a proposal from Foster Fence LTD in the amount of \$15,811 for the fence modifications and a proposal from Kraftsman Commercial Playgrounds and Water Parks in the amount of \$22,475.33 for the swing set. It was noted that the District can use some of the remaining funds from the Series 2020B Park Bond Issuance to pay for the improvements to Via Dora Park. The Board discussed the proposals and noted that it may be beneficial for Mr. Harcrow to obtain additional proposals. After discussion, upon unanimous vote, the Board approved the proposals from Foster Fence LTD and Kraftsman Commercial Playgrounds and Water Parks subject to Mr. Harcrow seeking out additional proposals and finding no more cost-efficient options.

21. Channing Corbett presented the developer's report for Newport Pointe. Then, Bobby Skinner presented the developer's report for Taylor Morrison.

22. Ms. Aylett informed the Board that the New Cingular Wireless PCS, LLC attorneys are reviewing the District's edits to the proposed contract with New Cingular Wireless PCS, LLC for a Structure Lease Agreement to lease space on the elevated water tank at Newport's water treatment plant.

23. Ms. Aylett informed the Board that the GTE Mobilnet of South Texas Limited Partnership d/b/a Verizon Wireless attorneys are reviewing the District's edits to the proposed contract with GTE Mobilnet of South Texas Limited Partnership d/b/a Verizon Wireless for a Structure Lease Agreement to lease space on the elevated water tank at Newport's water treatment plant.

24. The attorney presented a petition to the city of Houston for addition of land. The Newport Court and Newport Pointe developer is requesting addition of into Newport MUD, and before completing such annexation, the District is required to obtain the consent of the city of Houston. Upon unanimous vote, the Board approved the petition to the city of Houston for addition of such land.

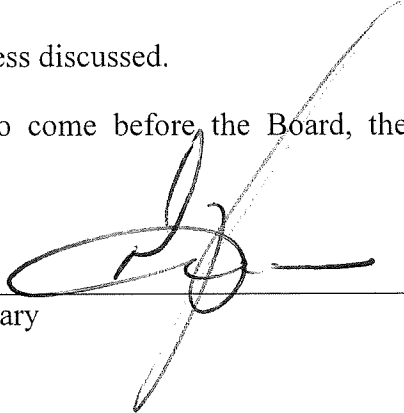
25. The Board discussed public education and outreach. Director Chasteen commended the engineers for their work detailing the updates on the surface water treatment plant.

26. There were no groundwater reduction contracts presented.

27. No Executive Session was held.

28. There was no pending business discussed.

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


Secretary