

NEWPORT MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

February 19, 2026

The Board of Directors (“Board”) of Newport Municipal Utility District (“District”) met at 16401 Country Club Drive, Crosby, Texas, on February 19, 2026, in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

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

and the following director absent:

None.

Also present were Don Cox, Nino Corbett, Abby Stanhouse, Kelly Shipley, Rich Harcrow, Andrea Martin, Debbie Shelton, Brittany Keeswood, Jorge Diaz, and Douglas McNeil.

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 January 15, 2026, were presented for the Board’s review and approval. Upon unanimous vote, the minutes were approved as presented.

3. No garbage collection report was provided.

4. Kelly Shipley presented the engineer’s report, a copy of which is attached. Ms. Stanhouse presented updates for developer projects. Ms. Stanhouse presented Pay Estimate No. 5 to Blazey Construction Services, LLC for Construction of the Water, Sanitary Sewer, Force Main, Drainage and Detention Facilities Section 1 to Serve Enclave at Newport in the amount of \$341,581.30. Then, Ms. Shipley presented Change Order No. 1 to LJA Engineering, Inc. for Proposed Traffic Signal Installation FM 2100 at Rolling Breeze Drive increasing the net price of the contract by \$3,365.18.

After discussion, upon unanimous vote, the Board approved Pay Estimate No. 5 and Change Order No. 1. The Board concurred with the developer’s payment of the pay estimate and approval of the Change Order.

Next, Ms. Shipley presented updates on District projects. First, Ms. Shipley presented Pay Application No. 12 to Industrial TX Corp. for Surface Water Treatment Plant Expansion in the amount of \$537,865.42. Then, Ms. Shipley presented Pay Application No. 2 to Bull G Construction, LLC for Sanitary Sewer Phase 6 Rehabilitation in the amount of \$68,047.50.

Lastly, Ms. Shipley requested that the Board authorize the engineer to prepare the AWIA Risk and Resilience Assessment and Emergency Response Plan.

After discussion, upon unanimous vote, the Board approved Pay Application No. 12 and Pay Application No. 2 and authorized the engineer to prepare the AWIA Risk and Resilience Assessment and Emergency Response Plan. Upon unanimous vote, the Board approved the remainder of the engineer's report as presented.

Following the engineer's report, Abby Stanhouse discussed the Flood Insurance Rate Map Timeline.

5. The office and meeting building committee presented updates. Director Hasse and Director Lankford are leading the committee efforts for the office and meeting building. Director Hasse noted that he had distributed the previously drawn architecture plans for the building. The operator is confirming whether the structure will accommodate the Si Environmental office employees who will be stationed in Newport during emergencies or sever weather events. The Board agreed to maintain this item on the agenda for the forthcoming meetings.

6. The attorney did not have a report to present.

7. Debbie Shelton stated that her office has received the previously requested estimates of value from Harris Central Appraisal District. She is working with the developer on sizing the next bond issue for Defined Area No. 1.

8. Brittany Keeswood presented a tax assessor collector's report, a copy of which is attached. The District's 2025 taxes were 83.36% collected. Fourteen (14) checks were presented for the Board's review and approval, and two (2) wire transfers were made. The Defined Area No. 1's 2025 taxes were 70.40% 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 one (1) wire transfer was made. Upon unanimous vote, the Board approved the tax assessor collector's report as presented.

9. The Board considered the attached Resolution Authorizing Petition Challenging Appraisal Records. Upon unanimous vote, the Board approved the Resolution Authorizing Petition Challenging Appraisal Records.

10. 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.

11. Rich Harcrow and Andrea Martin presented the operations and billing collections report, a copy of which is attached. The District accounted for 92% 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 \$505,831.21, and the District received collections from prior months of \$551,189.63. Ms. Martin informed the Board of one customer reimbursement request for plumbing work completed to fix a leak on the District's side of the customer's meter. The operator confirmed that the leak was on the District's side and raised no objections to the

\$185.00 reimbursement request. Lastly, Ms. Martin requested approval to deposit tap fees directly into Central Bank instead of depositing them into Stellar Bank and then transferring the fees to Central Bank. The Board and the bookkeeper raised no objections. Upon unanimous vote, the Board approved the report as presented and approved the reimbursement request.

12. The attorney noted that the District was required to review the Federal Trade Commission (“FTC”) identity theft red flag program on an annual basis. The attorney and operator recommended that no changes be made to the program. Accordingly, upon motion duly made, seconded and unanimously carried, the Board voted unanimously to adopt the attached Resolution Affirming Identity Theft Prevention Program.

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

14. Mr. McNeil informed the Board that the District’s contract with CityWide Audio for Surface Water Plant, Water Treatment Plant, Flying Bridge Plant and South Diamondhead Plant is up for its annual renewal. Upon motion duly made, seconded and unanimously carried, the Board voted unanimously to allow the District’s contract to renew for another year.

15. The Board reviewed the Order Authorizing Credit Card Application with Central Bank for Supply Purchases. After discussion, upon unanimous vote, the Board approved the attached Order Authorizing Credit Card Application with Central Bank for Supply Purchases.

16. Mr. Harcrow presented the parks and recreational facilities report, a copy of which is attached. Mr. Harcrow informed the Board that 1,801 key fobs have been issued as of December 2025. After discussion, upon unanimous vote, the Board approved the parks and recreational facilities report as presented.

17. Nino Corbett presented a developer’s report.

18. The Board considered the First Amendment to Maintenance Agreement with Newport Pointe Homeowner’s Association, Inc. After discussion, upon motion duly made, seconded and unanimously carried, the Board voted unanimously to approve the First Amendment to Maintenance Agreement with Newport Pointe Homeowner’s Association, Inc.

19. The electricity committee, composed of Director Johnson and Director Hasse, presented an update on the electricity contract. The committee had settled on an electricity contract with Constellation NewEnergy, Inc. for a term of either 48-months or 60-months. Subject to reviewing the final energy price, the Board unanimously authorized Director Johnson to approve either a 48-month or 60-month electricity contract with Constellation NewEnergy, Inc.

20. Mr. McNeil then discussed with the Board the requirements of Texas Local Government Code Chapter 203, Subchapter D (Senate Bill 625). The law requires districts to annually provide certain records and information concerning the District’s finances and tax rates to the Texas Comptroller of Public Accounts. The comptroller has created a special information database on their website, where the information will be assembled, updated, and made available to the public free of charge. The required information is already publicly available in other places,

but the law requires submission of the information to the comptroller. The information includes the name of the District, the names of the Board members, any employees, addresses, websites if applicable, names of certain consultants, the total amount of bonds authorized by District voters, the aggregate principal amount of bonds issued, the tax rate, and audited financial information. Upon unanimous vote, the Board authorized the attorney to prepare and file the required report by the April 1, 2026 deadline.

21. The Board reviewed the Annual Maintenance for the Arbitrage Analysis Report Originally Dated August 24, 2005 and updated on January 27, 2026. 10th-year arbitrage reports are due for the Series 2016 Bonds, the Series 2016A Bonds, and 5th-year arbitrage reports and yield restriction reports are due on the Series 2021 Bonds. The District has an evergreen engagement with Arbitrage Compliance Specialists, and the Board authorized the reports to be done.

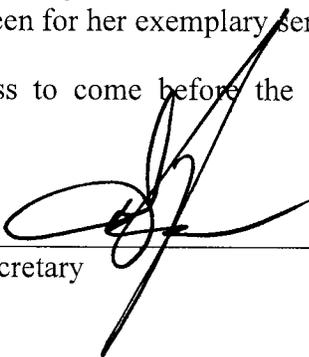
22. The Board discussed public education and outreach. Director Florus will take over the newsletter from Director Chasteen.

23. No groundwater reduction contracts were presented for review.

24. Under public comments, Director Hasse reviewed the utility billing expenses and argued in favor of eliminating paper billing in favor of only permitting online billing. The Board concurred with Director Hasse's suggestion that the District should move towards only permitting online billing due to the substantial savings. The operator noted that they encourage online billing and are willing to work with the District to implement 100 percent online billing.

Then, Director Chasteen noted that this meeting will be her last meeting as a director on the Board of Directors for Newport Utility District. Director Chasteen is moving from the District. The Board thanked Director Chasteen for her exemplary service to the District.

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


Secretary