

NEWPORT MUNICIPAL UTILITY DISTRICT
NOTICE OF PUBLIC MEETING

Notice is hereby given to all interested members of the public that the Board of Directors of the captioned district will hold a public meeting at **16401 Country Club Drive, Community Room (next to Fitness Room), Crosby, Harris County, Texas.**

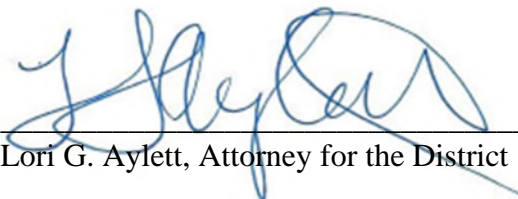
The meeting will be held at **4:30 p.m. on Thursday, November 20, 2025.**

The subject of the meeting is to consider and act on the following:

1. Public Comments. This provides an opportunity for the public to comment on agenda items or other District business in advance of regular business of the Board. Comments shall be limited to **five (5) minutes** per person. By state law, comments by the Board members on any item not on the agenda shall be limited to: a) Statements of specific factual information given in response to any inquiry; b) A recitation of existing policy in response to any inquiry; or c) A proposal to place the subject on the agenda for a future meeting.
2. Minutes of October 16, 2025 Board of Directors Meeting
3. Order Appointing Director; Approve Qualifications, Statement of Appointed Officer, and Oath of Office; Questionnaire Regarding Potential Conflicts of Interest and Memorandum Regarding Completion of Public Information Act/Open Meetings Act Training
4. Garbage Collection Report
5. Engineer's Report; maintenance, repair and design of facilities; advertisement for bids; construction contract(s); pay estimates(s) and change order(s); proposals; requests for utility capacity/commitment; permit matters; proposals; easements; requests for utility capacity; requests for service/annexation; emergency response plan; long term capital improvements plan; feasibility studies
6. Resolution Adopting Rules for Electronic Submission of Bids
7. Newport Property Owners Association request for service
8. Request from Coastal Water Authority for Right of Entry at surface water treatment plant site
9. Status of SJRA contract
10. Attorney's Report
11. Financial Advisor's Report
12. Status of sale of District's \$2,810,000 Defined Area No. 1 Unlimited Tax Bonds, Series 2025, including the following:
 - a. Agreed Upon Procedures Report for Construction, Engineering and related costs payable to Newport Pointe, Ltd and Stellar Bank (formerly known as Community Bank); authorize purchase of facilities at closing
 - b. Accept conveyance facilities in Defined Area 1
 - c. Amendment to Statement of Directors after sale of Series 2025 Defined Area No. 1 Bonds

13. Tax Assessor/Collector's Report; invoices and checks; payment of bills; delinquent tax collections, water termination, and suits, as necessary; investment of District funds; requests for waivers; depository pledge agreements
14. Bookkeeper's Report; checks and invoices; payment of bills; investments of District
15. Review draft budget for fiscal year ending December 31, 2026
16. Operations and Billing and Collections Report; maintenance and repair of District facilities; inflow/infiltration repairs; water well permit; waste discharge permit; customer appeals or inquiries regarding utility service or billing; termination of service on delinquent accounts; status of FEMA and insurance claims
17. Parks and Recreational Facilities; open space master plan, design and development, construction, operation, and repairs; special events and reservations; security of facilities; neighborhood crime watch; suggestions for park improvements; splash pad closure and winterization
18. Renew District insurance
19. Arbitrage Yield Restriction/Yield Reduction Report through August 17, 2025 on Series 2021 Unlimited Tax Bonds
20. Authorize eminent domain filing
21. Developers' Reports
22. Public Education and Outreach
23. Groundwater Reduction Contracts
24. Structure Lease Agreement with New Cingular Wireless PCS, LLC
25. Executive (closed) Session Pursuant to Texas Government Code §§ 551.071, 551.072, 551.074 and 551.076
26. Pending Business
27. Public Comments. This provides an opportunity for the public to comment on agenda items or other District business at the conclusion of regular business of the Board. Comments shall be limited to **five (5) minutes** per person. By state law, comments by the Board members on any item not on the agenda shall be limited to: a) Statements of specific factual information given in response to any inquiry; b) A recitation of existing policy in response to any inquiry; or c) A proposal to place the subject on the agenda for a future meeting




Lori G. Aylett, Attorney for the District

NEWPORT MUNICIPAL UTILITY DISTRICT
Compliance with Texas Government Code Section 551.043

Pursuant to Texas Government Code § 551.043(c), a physical copy of the proposed budget has been attached to this Notice of Public Meeting

Taxpayer Impact Statement

Below is a comparison of a property tax bill for a median-valued homestead property in the District for the current fiscal year to an estimate of a property tax bill for the same property for the upcoming fiscal year if the proposed budget is adopted.¹

NEWPORT MUNICIPAL UTILITY DISTRICT

| Description | Tax Bill (\$) |
|--|---------------|
| Property tax bill for a median-valued homestead property in District for current fiscal year | \$1,747.02 |
| Estimated property tax bill for the same median-valued homestead property in District for upcoming fiscal year if proposed budget is adopted | \$1,747.02 |

NEWPORT MUNICIPAL UTILITY DISTRICT DEFINED AREA NO. 1

| Description | Tax Bill (\$) |
|--|---------------|
| Property tax bill for a median-valued homestead property in District for current fiscal year | \$3,957.53 |
| Estimated property tax bill for the same median-valued homestead property in District for upcoming fiscal year if proposed budget is adopted | \$3,957.53 |

NEWPORT MUNICIPAL UTILITY DISTRICT DEFINED AREA NO. 2

| Description | Tax Bill (\$) |
|--|---------------|
| Property tax bill for a median-valued homestead property in District for current fiscal year | \$0.00 |
| Estimated property tax bill for the same median-valued homestead property in District for upcoming fiscal year if proposed budget is adopted | \$0.00 |

Taxing units such as the District adopt their tax rates under the authority of Chapter 49, Texas Water Code and are not governed by the no-new-revenue tax rate calculations set forth in Chapter 26, Texas Tax Code. Therefore, this Taxpayer Impact Statement does not provide a comparison of property tax bills for the current fiscal year to a balanced budget funded at the no-new-revenue-tax rate as calculated under Chapter 26, Texas Tax Code.

¹While the legislation uses the term “median-valued,” such term does not appear in the sections of Texas Tax Code Chapter 26 that are applicable to taxing units such as the District. Laws applicable to the District require its tax assessor-collector to calculate the tax rate using the “average taxable value” of homestead properties. (*Texas Water Code, Sections 49.23601, 49.23602(d), and 49.23603*). Therefore this Taxpayer Impact Statement calculates the property tax bill using such “average taxable value.”

| NEWPORT MUNICIPAL UTILITY DISTRICT | | | | | | | | | | | | | |
|---|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|
| OPERATING FUND BUDGET | | | | | | | | | | | | | |
| YEAR ENDING DECEMBER 31, 2026 | | | | | | | | | | | | | |
| | | | | | | | | | | | DRAFT #1 | | |
| Garbage Count | 4370 | 4380 | 4390 | 4400 | 4410 | 4420 | 4430 | 4440 | 4450 | 4460 | 4470 | 4480 | |
| Account Name | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | TOTALS |
| 4100 · Water Service Revenue | 195,000 | 195,000 | 195,000 | 195,000 | 195,000 | 195,000 | 195,000 | 195,000 | 195,000 | 195,000 | 195,000 | 195,000 | \$ 2,340,000 |
| 4101 · Groundwater Credits | 50,970 | 364,000 | - | - | - | - | 61,245 | - | - | - | 43,750 | - | 519,965 |
| 4102 · SJRA Fee | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 204,000 |
| 4120 · Reconnection Fees | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 24,000 |
| 4200 · Sewer Service Revenue | 238,000 | 238,000 | 238,000 | 238,000 | 238,000 | 238,000 | 238,000 | 238,000 | 238,000 | 238,000 | 238,000 | 238,000 | 2,856,000 |
| 4310 · Tap Connection Fees | 9,750 | 9,750 | 9,750 | 9,750 | 9,750 | 9,750 | 9,750 | 9,750 | 9,750 | 9,750 | 9,750 | 9,750 | 117,000 |
| 4320.1 · Maintenance Tax Revenue | 430,000 | 2,089,000 | 315,000 | 52,000 | 22,000 | 4,500 | 8,000 | 8,200 | 7,800 | 5,000 | 8,500 | 59,600 | 3,009,600 |
| 4325 · Park Rental | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 120 |
| 4330 · Penalty Interest & Late Fee | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 108,000 |
| 4333 · Collection & Return Check Fees | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 36 |
| 4350 · Transfer Fees | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 24,000 |
| 5391 · Interest on Temp Investments | 89,000 | 89,000 | 89,000 | 89,000 | 89,000 | 89,000 | 89,000 | 89,000 | 89,000 | 89,000 | 89,000 | 89,000 | 1,068,000 |
| 5399 · Tower Site Revenue | 31,894 | - | - | 6,182 | - | - | 6,182 | - | - | 6,182 | - | - | 50,440 |
| 5411 · Park FOBS | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 4,200 |
| 5054 · MUD 578 Water Revenue | 10,045 | 10,045 | 10,045 | 10,045 | 10,045 | 10,045 | 10,045 | 10,045 | 10,045 | 10,045 | 10,045 | 10,045 | 120,540 |
| 5055 · MUD 578 Sewer Revenue | 10,870 | 10,870 | 10,870 | 10,870 | 10,870 | 10,870 | 10,870 | 10,870 | 10,870 | 10,870 | 10,870 | 10,870 | 130,440 |
| 5056 · MUD 578 SJRA | 610 | 610 | 610 | 610 | 610 | 610 | 610 | 610 | 610 | 610 | 610 | 610 | 7,320 |
| TOTAL REVENUE | \$ 1,096,502 | \$ 3,036,638 | \$ 898,638 | \$ 641,820 | \$ 605,638 | \$ 588,138 | \$ 659,065 | \$ 591,838 | \$ 591,438 | \$ 594,820 | \$ 635,888 | \$ 643,238 | \$ 10,583,661 |
| 6200 · Payroll Administration | \$ 380 | 278 | 278 | 278 | 278 | 278 | 278 | 278 | 278 | 278 | 278 | 278 | \$ 3,438 |
| 6201 · Payroll Tax Expense | 85 | 203 | 169 | 186 | 220 | 287 | 287 | 2,198 | 101 | 213 | 169 | 271 | 4,389 |
| 6203 · Computer Support (Aqua Metric) | | 7,400 | - | - | 4,500 | - | 4,500 | - | - | 22,000 | - | - | 38,400 |
| 6231 · Operations - Parks & Trails | 24,056 | 24,056 | 24,056 | 24,056 | 24,056 | 24,056 | 24,056 | 24,056 | 24,056 | 24,056 | 24,056 | 24,056 | 288,672 |
| 6232 · Facility Mowing | 6,080 | 6,080 | 6,080 | 6,080 | 6,080 | 6,080 | 6,080 | 6,080 | 6,080 | 6,080 | 6,080 | 6,080 | 72,960 |
| 6300 · Purchased Water Services | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 420,000 |
| 6310 · Director Fees | 1,105 | 2,652 | 2,210 | 2,431 | 2,873 | 3,757 | 3,757 | 28,733 | 1,326 | 2,780 | 2,210 | 3,536 | 57,370 |
| 6317 · Website Expenses | 895 | 895 | 895 | 895 | 895 | 895 | 895 | 895 | 895 | 895 | 895 | 895 | 10,740 |
| 6320 · Legal Fees | 13,084 | 13,084 | 13,084 | 13,084 | 13,084 | 13,084 | 13,084 | 13,084 | 13,084 | 13,084 | 13,084 | 13,084 | 157,008 |
| 6321 · Auditing Fees | - | - | 22,000 | - | 5,000 | - | - | - | - | - | - | - | 27,000 |
| 6322 · Engineering Fees - General | 47,000 | 47,000 | 47,000 | 47,000 | 47,000 | 51,500 | 51,500 | 51,500 | 51,500 | 51,500 | 51,500 | 51,500 | 595,500 |
| 6324 · Lab Supply & Equipment SWTP/WWTP | 1,513 | 1,513 | 1,513 | 1,513 | 1,513 | 1,513 | 1,513 | 1,513 | 1,513 | 1,513 | 1,513 | 1,513 | 18,156 |
| 6325 · Election Expenses | | | 6,500 | | | 20,000 | 4,000 | | | | | | 30,500 |
| 6327 · Permit Fees - WP/LS/STP | | 7,280 | - | - | - | - | - | - | - | 9,984 | 10,773 | - | 28,037 |
| 6328 · Operations - L/S & STP | 45,255 | 45,255 | 45,255 | 45,255 | 45,255 | 45,255 | 45,255 | 45,255 | 45,255 | 45,255 | 45,255 | 45,255 | 543,060 |
| 6330 · Operator Billing Fees | 43,363 | 43,363 | 43,363 | 43,363 | 43,363 | 43,363 | 43,363 | 43,363 | 43,363 | 43,363 | 43,363 | 43,363 | 520,356 |
| 6332 · Operations - WP & SWTP | 90,836 | 90,836 | 90,836 | 90,836 | 90,836 | 90,836 | 90,836 | 90,836 | 90,836 | 90,836 | 90,836 | 90,836 | 1,090,032 |
| 6333 · Bookkeeping Fees | 5,000 | 6,600 | 4,900 | 5,400 | 5,800 | 5,500 | 5,400 | 4,900 | 5,400 | 5,900 | 5,000 | 6,400 | 66,200 |
| 6334 · Repairs & Maint - SWTP | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 24,000 |
| 6335 · Maintenance & Repairs - STP | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 108,000 |
| 6336 · Sludge & Waste Disposal | 34,120 | 34,120 | 34,120 | 34,120 | 34,120 | 34,120 | 34,120 | 34,120 | 34,120 | 34,120 | 34,120 | 34,120 | 409,440 |

| NEWPORT MUNICIPAL UTILITY DISTRICT | | | | | | | | | | | | | |
|---|------------|--------------|------------|-----------|------------|-------------|-----------|---|------------|-------------|--------------------|---------|-----------|
| OPERATING FUND BUDGET | | | | | | | | | | | | | |
| YEAR ENDING DECEMBER 31, 2026 | | | | | | | | | | | | | |
| | | | | | | | | | | | DRAFT #1 | | |
| Garbage Count | 4370 | 4380 | 4390 | 4400 | 4410 | 4420 | 4430 | 4440 | 4450 | 4460 | 4470 | 4480 | |
| Account Name | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | TOTALS |
| 6338 · Legal Notices | | - | 500 | - | - | - | - | 500 | - | - | - | - | 1,000 |
| 6340 · Printing and Office Supplies | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 6,600 |
| 6342 · Chemicals (SWTP) | 23,000 | 23,000 | 23,000 | 23,000 | 23,000 | 23,000 | 23,000 | 23,000 | 23,000 | 23,000 | 23,000 | 23,000 | 276,000 |
| 6343 · Chemicals - WP | 875 | 875 | 875 | 875 | 875 | 875 | 875 | 875 | 875 | 875 | 875 | 875 | 10,500 |
| 6344 · Chemicals - STP | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 75,600 |
| 6345 · Operations-Detention Ponds | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 60,000 |
| 6347 · Monitoring/Testing | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 36,000 |
| 6348 · Monitoring/Testing - STP | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 48,000 |
| 6350 · Postage | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 840 |
| 6353 · Insurance | | - | - | - | - | - | - | - | - | - | 103,879 | - | 103,879 |
| 6352 · Utilities - SWTP | 5,247 | 5,269 | 2,416 | 2,776 | 4,923 | 2,732 | 2,428 | 2,567 | 2,636 | 2,991 | 2,773 | 5,712 | 42,471 |
| 6354 · Travel Expenses | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 120 |
| 6355 · A W B D Expenses | 5,000 | 180 | 2,325 | 180 | 180 | 180 | 5,000 | 180 | 180 | 180 | 180 | 850 | 14,615 |
| 6358 · Miscellaneous Exps | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1,200 |
| 6359 · Other Exp/Unclaimed Prop | | - | - | 5,025 | - | - | - | - | - | - | - | - | 5,025 |
| 6360 · Utilities - STP | 15,478 | 15,544 | 7,127 | 8,188 | 14,523 | 8,058 | 7,162 | 7,572 | 7,776 | 8,824 | 8,181 | 16,849 | 125,282 |
| 6361 · Telephone | 3,920 | 3,920 | 3,920 | 3,920 | 3,920 | 3,920 | 3,920 | 3,920 | 3,920 | 3,920 | 3,920 | 3,920 | 47,040 |
| 6362 · Utilities - L/S | 3,068 | 3,081 | 1,413 | 1,623 | 2,878 | 1,597 | 1,419 | 1,501 | 1,541 | 1,749 | 1,621 | 3,339 | 24,830 |
| 6363 · Utilities - WP | 3,557 | 3,572 | 1,638 | 1,882 | 3,337 | 1,852 | 1,646 | 1,740 | 1,787 | 2,028 | 1,880 | 3,872 | 28,790 |
| 6370 · Tap Connection Expense | 7,190 | 7,190 | 7,190 | 7,190 | 7,190 | 7,190 | 7,190 | 7,190 | 7,190 | 7,190 | 7,190 | 7,190 | 86,280 |
| 6382 · Arbitrage Expense | | - | 850 | - | - | 3,250 | - | - | - | - | - | - | 4,100 |
| 6395 · Security Parks & Trails | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 30,000 |
| 6399 · Disposal Service - District | 74,377 | 74,548 | 74,718 | 74,888 | 75,058 | 75,228 | 75,399 | 75,569 | 75,739 | 75,909 | 76,079 | 76,250 | 903,762 |
| 6407 · Repairs & Maint - District | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 600,000 |
| 6408 · Repairs & Maint - WP | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 12,000 |
| 6409 · Repairs & Maint - L/S | 8,600 | 8,600 | 8,600 | 8,600 | 8,600 | 8,600 | 8,600 | 8,600 | 8,600 | 8,600 | 8,600 | 8,600 | 103,200 |
| 6410 · Repairs & Maint - Parks/Trails | 13,600 | 13,600 | 13,600 | 13,600 | 13,600 | 13,600 | 13,600 | 13,600 | 13,600 | 13,600 | 13,600 | 13,600 | 163,200 |
| 6411 · R&M-Manholes/I&I/Valves | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 48,000 |
| 6435 · Park Rangers | | - | 555 | 630 | 476 | 170 | 257 | - | - | - | - | - | 2,088 |
| 6492 · Repairs & Maint-Detention Ponds | 5,700 | 5,700 | 5,700 | 5,700 | 5,700 | 5,700 | 5,700 | 5,700 | 5,700 | 5,700 | 5,700 | 5,700 | 68,400 |
| 6506 · Hydrant Maintenance | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 36,000 |
| 6510 · Records Management | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 3,000 |
| 7410 · TCEQ Assessment Fee | | | | | | | | | | | | 25,980 | 25,980 |
| TOTAL EXPENSE | 608,164 | 621,474 | 622,465 | 598,354 | 614,914 | 622,257 | 610,899 | 625,104 | 596,131 | 632,203 | 712,392 | 642,704 | 7,507,060 |
| NET REVENUE (DEFICIT) | \$ 488,338 | \$ 2,415,164 | \$ 276,173 | \$ 43,466 | \$ (9,276) | \$ (34,119) | \$ 48,166 | \$ (33,266) | \$ (4,693) | \$ (37,383) | \$ (76,504) | \$ 534 | 3,076,601 |
| Maint Tax Based on 2025 EAV \$1,146,755,457 X \$0.2678 /100 X 98% Collection | | | | | | | | | | | | | |
| Garbage Services - \$17.02 January to December 2026 Based on 5.40% Cap @ 2% CPI Increase (16.69 X2%=0.33+17.02) | | | | | | | | | | | | | |
| PRESENTED DRAFT #1: | 11/20/2025 | | | | | | | | | | | | |
| | | | | | | | | Consolidated by: | | | | | |
| | | | | | | | | McLennan & Associates, LP | | | | | |
| | | | | | | | | 1717 St. James Place, Suite 500, Box 45 Houston Texas 77056 | | | | | |
| | | | | | | | | Phone (281) 920-4000 | | | Fax (281) 920-0065 | | |
| | | | | | | | | Email: jdiaz@mcLennanandassoc.com | | | | | |
| | | | | | | | | Email: wticzon@mcLennanandassoc.com | | | | | |