

## NEWPORT MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

September 5, 2024

The Board of Directors (“Board”) of Newport Municipal Utility District (“District”) met at 16401 Country Club Drive, Crosby, Texas, on September 5, 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 Kelly Shipley, Rich Harcrow, Andrea Martin, Phil Schepens, Eileen Fashoro, Bobby Skinner, Ben Shahbazi, Angel Ruvaleava, Thersa Summers, Don Cox, 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. Phil Schepens addressed the Board and questioned them about whether they had capacity for out-of-District customers. The engineer had previously advised him that the District does not have adequate sewer service at this time. The District does entertain out-of-District water service on a case-by-case basis and review feasibility reports prepared by the District engineer and funded by the developer.

2. Kelly Shipley presented an engineer’s report, a copy of which is attached. Ms. Shipley requested authorization to advertise for bids for the surface water treatment plant expansion, and upon unanimous vote, the Board so authorized.

3. The attorney stated that she had no report.

4. The financial advisor was not present, so no report was given.

5. The Board discussed the operations report. The Board discussed fabrication of signs with the District operator. The Board suggested that District projects be marked with signage that states, “Newport MUD Capital Improvements Plan Project.” After discussion, the Board agreed that the operator would fabricate two large signs and three smaller signs to identify ongoing projects in the District.

6. The Board discussed an electronic lockbox agreement with Central Bank for payment processing and deposits. Andrea Martin stated that she wanted authorization to work with the District’s bookkeeper to formulate a lockbox agreement with Central Bank for the

processing of payments. This will also facilitate the operations use of cloud-based work orders. Upon unanimous vote, the Board authorized the operator to contact the bookkeeper and begin work on this project.

7. The Board discussed the parks and recreational facilities. Rich Harcrow reported that he received and placed new signs at the splashpads.

8. The Board entertained developers' reports. Bobby Skinner stated that Taylor Morrison is working on their plan approval and had a good meeting with Harris County recently regarding development matters.

Eileen Fashoro had no action items for the Board's consideration.

9. The Board considered a proposed First Amendment to the Water, Sewer, and Drainage Improvement Financing and Construction contract with Taylor Morrison of Texas for Defined Area 2 to construct a nature play park. The attorney reminded the Board that they had agreed in principle to allow the developer to construct a nature play park in place of a splashpad park, and such agreement should be memorialized with an amendment to their Defined Area 2 reimbursement contract. Mr. Skinner presented a proposed land plan showing proposed locations of the parks and greenbelt areas on the Taylor Morrison tract. The Board reviewed the proposal in detail and asked questions of the developer. Director Boykin noted that most people drive to District parks and there did not appear to be parking on his conceptual plans. Mr. Skinner noted that the parking locations had not been established. Director Chasteen noted that in the District parks, the play areas were covered to provide shade. The Board asked questions about the greenbelt areas and the relocation of some of the amenities. Director Chasteen asked the developer to look at the District's existing parks and play areas to incorporate those features into the new development. Accordingly, the Board agreed to table further consideration until the next meeting to give the developer an opportunity to fine tune the proposal.

10. The Board tabled consideration of the joint election agreement with Harris County, as it is not yet available.

11. The Board considered the attached Resolution to Adopt the Verity Voting 2.7 System for the joint election. Upon unanimous vote, the Board approved the Resolution as presented.

12. The Board discussed public education and outreach. Touchstone is continuing to make changes the website for maximum public engagement. Director Hasse reported on the most recent "Coffee Talk" he attended with Director Chasteen and District residents. Twelve people attended, and discussions were very positive. People have noticed all of the ongoing capital improvements projects. The next "Coffee Talk" is planned for this coming Saturday.

13. The Board discussed purchase of real estate. The engineer had previously prepared a feasibility report on 53 acres owned by Rampart, which analyzed its suitability for use as a forebay for water storage. After the report was presented, the engineer received information from Rampart about the existence of a large easement on the tract. The engineer reported that the property is not developable by the District as originally envisioned because it is encumbered by a

20-acre exclusive drainage easement for the benefit of Lakewood. Eileen Fashoro noted that Rampart had originally planned to use the property for an extension to the golf course. That use is no longer being contemplated, but the property is still encumbered by the easement. The Board asked that the attorney discuss property acquisitions with Lakewood Development.

14. The Board discussed a committee for review of the operator's contract. Director Chasteen noted that she has been talking with representatives of Si Environmental regarding their renewal of their contract. Director Chasteen believes it would be in the best interest of the Board to appoint a committee to negotiate the contract terms, and the committee could report recommendations to the Board for action. Director Johnson stated his belief that the full Board should be involved in all of the contract discussions. The Board debated the matter in some detail. Upon a vote of three to two, with Directors Chasteen and Hasse opposing, the Board voted not to appoint a committee for the operator contract review. The Board agreed that first meeting on the operator's contract would be held on October 3, 2024.

15. The Board reported on the Newport MUD third annual tree giveaway in association with Trees for Houston. Director Chasteen noted that 300 trees will be given away on Saturday, September 21. The Board approved the rental of a U-Haul trailer to deliver the trees to the distribution area.

16. The Board discussed the feasibility report previously presented by the District engineer for the Shahbazi and Them Sum tracts. Mr. Shahbazi presented a written statement to the Board and thanked them for providing the feasibility study. He noted that neither he nor Ms. Summers had the financial means for the options provided in the study. He suggested a third option of extending water lines between the two lots at 302 and 306 Squall Court. Then two-inch water connections could be made from the extension, and the developers could add water tanks to their properties. The developers would also agree to pay their portion of construction of pipelines when neighbors to the south also agree to join. The Board noted that engineer and operator would have to review the feasibility of the developers' proposal. Accordingly, the Board tabled further consideration and agreed to place the matter on a future agenda.

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

  
Secretary