



**Lockwood, Andrews  
& Newnam, Inc.**

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February 6, 2020

Board of Directors  
Newport Municipal Utility District  
16703 Golf Club Drive  
Crosby, Texas

RE: Capital Improvement Plan and Bond &  
Election for Water, Sanitary, Drainage  
And Facility Improvements, 2020-2025  
LAN Project No. 120-12151-000-100

Dear Directors:

Attached is the summary of the Newport Municipal Utility District's Capital Improvement Plan and Bond Election requirements for Water, Sanitary, Drainage and Facility Improvements for years 2020 thru 2025. The proposed projects would require approximately \$52,960,000 in new voter authorized bond funds.

If you have any questions, please feel free to contact me at 713-821-0455.

Sincerely,

William G. Rosenbaum, P.E.  
Vice President – Development/District Engineering



Lockwood, Andrews & Newnam, Inc  
Texas Registered Engineering Firm # F-2614

**2020 Capital Improvement Plan and Bond Election Requirements for Water, Sanitary, Drainage and Facility Improvements, 2020 - 2025**

The purpose of the 2020 Bond Election in Newport Municipal Utility District is to obtain voter authorization for Newport MUD to issue bonds for various water supply, water treatment and storage facilities, water distribution system, sanitary sewer collection system, wastewater treatment facilities, drainage improvements within the District boundaries.

Specific improvements to be funded are shown in the attached **Exhibit A** and listed below:

1. Surface Water Treatment Plant Expansion, from 2.4 MGD to 3.6 MGD, and Improvements
2. Replacement Water Well for Water Plant 2 Well 1
3. Recoating of Water Storage Tanks and Related Facilities
4. Sanitary Sewer, Lift Station and Force Main Construction and Rehabilitation
5. Wastewater Treatment Plant Expansion, from 1.33 MGD to 2.0 MGD, and Improvements
6. Drainage System Improvements
7. Administration Building
8. New Water, Sanitary Sewer and Drainage Systems to serve –

Newport Section 4, Reserves C & D

Newport Section 6, Partial Replat 1

Newport Section 7

Newport Section 10, Partial Replat 1

The opinion of probable costs for construction, contingencies and engineering for all projects is \$45,016,000. The estimated costs to issue the bonds are \$7,944,000 and the total costs are estimated at \$52,960,000.

**EXHIBIT A**  
**Newport MUD - Capital Improvement Plan**  
**As of 2/6/20**

Item	Amount	Page	Previous	Proposed					Total	
			Bonds 2020	Bonds 2020	2021	2022	2023	2024	2025	Bonds 2020 - 2025
<b><u>DISTRICT ITEMS (Includes Contingencies, Engineering &amp; Bond Issuance Costs)</u></b>										
1 Surface Water Plant	\$33,333,882	2C	\$4,076,471		\$186,353	\$0	\$0	\$1,397,647	\$13,044,706	\$14,628,706
2 Water Plants	\$838,588	4	\$372,706		\$0	\$0	\$0	\$0	\$0	\$0
3 Water Distribution System	\$18,961,412	5		\$1,118,118	\$1,118,118	\$1,056,000	\$1,087,059	\$1,149,176	\$1,149,176	\$6,677,647
4 Sanitary Sewer System	\$15,090,494	6	\$263,176		\$1,087,059	\$1,149,176	\$1,118,118	\$931,765	\$929,718	\$5,215,835
5 Lift Station & Force Mains	\$4,394,918	30	\$0	\$707,412	\$512,471	\$194,118	\$139,765	\$267,106	\$108,706	\$1,929,577
6 Wastewater Treatment Plant	\$32,976,706	34	\$2,989,412		\$0	\$0	\$0	\$0	\$14,752,941	\$14,752,941
7 Detention Ponds	\$0	33	\$0		\$0	\$0	\$0	\$0	\$0	\$0
8 Administration Building	\$388,235	37	\$388,235							\$0
9 Water Lines, Force Mains & Lift Station to serve Compass Tract Defined Area	\$4,270,588	2A	\$0		\$0	\$2,360,471	\$0	\$1,910,118	\$0	\$4,270,588
<b>DISTRICT ITEMS TOTAL</b>	<b>\$110,254,824</b>		<b>\$8,090,000</b>	<b>\$1,825,530</b>	<b>\$2,904,000</b>	<b>\$4,759,765</b>	<b>\$2,344,941</b>	<b>\$5,655,812</b>	<b>\$29,985,247</b>	<b>\$47,475,294</b>
<b><u>DEVELOPER CONTRIBUTION ITEMS (Including Developer Interest and Bond Issuance Costs)</u></b>										
1 Newport Section 4, PR 4 (DH Builders)	\$220,000								\$220,000	\$220,000
2 Newport Section 6, Partial Replat 1, Dev. Reim. (Rochester )	\$382,353					\$382,353				\$382,353
3 Newport Section 7, Developer Reimbursement (Lennar)	\$4,117,647					\$4,117,647				\$4,117,647
4 Newport Section 10, Partial Replat 1 Dev. Reim. (Rochester)	\$764,706					\$764,706				\$764,706
<b>DEVELOPER CONTRIBUTION ITEMS TOTALS</b>	<b>\$5,484,706</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,264,706</b>	<b>\$0</b>	<b>\$0</b>	<b>\$220,000</b>	<b>\$5,484,706</b>
<b>TOTAL BOND ISSUE AMOUNT</b>	<b>\$115,739,530</b>		<b>\$8,090,000</b>	<b>\$1,825,530</b>	<b>\$2,904,000</b>	<b>\$10,024,471</b>	<b>\$2,344,941</b>	<b>\$5,655,812</b>	<b>\$30,205,247</b>	<b>\$52,960,000</b>
<b><u>WSD Bond Capacity</u></b>										
Previous WSD Bond Capacity			\$8,090,000	\$0	\$51,134,470	\$48,230,470	\$38,206,000	\$35,861,059	\$30,205,247	
New Bond Authorization Amount				\$52,960,000	\$0	\$0	\$0	\$0	\$0	
Proposed Bond Issues during the year			\$8,090,000	\$1,825,530	\$2,904,000	\$10,024,471	\$2,344,941	\$5,655,812	\$30,205,247	
Remaining WSD Bond Capacity Balance			\$0	\$51,134,470	\$48,230,470	\$38,206,000	\$35,861,059	\$30,205,247	\$0	