

NEWPORT MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

August 21, 2025

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16401 Country Club Drive, Crosby, Texas, on August 21, 2025, 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
Earl B. Boykin, Assistant Secretary
R. Gary Hasse, Director

and the following director absent:

None.

Also present were Jimmy Jackson (via teleconference), Jay Anderson, Bobby Skinner, Ben Shahbazi, Billy Killian, Kelly Shipley, Abby Stanhouse, Rich Harcrow, Andrea Martin, Debbie Shelton, Brittany Keeswood, Jorge Diaz, Douglas McNiel 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 President entertained public comments. No public comment was presented.
2. Minutes of the meeting of July 17, 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.
4. Kelly Shipley presented the engineer's report, a copy of which is attached. Ms. Shipley presented updates for developer projects. First Ms. Shipley presented Pay Estimate No. 1 to DC Contracting Services, LLC for Construction of Lake "D" to Serve Newport Pointe and Clearing and Grubbing to Serve FM 2100 Tracts in the amount of \$91,840.50. Then Ms. Shipley presented Pay Estimate No. 7 to DC Contracting Services for Construction of the Mass Grading & Detention to Serve Newport Grove in the amount of \$1,764. Then, Ms. Shipley presented Pay Estimate No. 8 and Final to DC Contracting Services, LLC for Construction of the Mass Grading & Detention to Serve Newport Grove in the amount of \$25,397.81. Then Ms. Shipley presented Pay Estimate No. 4 to Bull-G Construction, LLC for Construction of the Offsite Water Line and Sanitary Force Main to Serve Newport Grove in the amount of \$104,652. Lastly, Ms. Shipley presented Pay Estimate No. 4 to 5J Services, LLC for Construction of the Newport Grove Lift Station No. 1 in the amount of \$179,617. After discussion, upon unanimous vote, the Board approved Pay Estimate No. 1, Pay Estimate No. 7, Pay Estimate No. 8 and Final, Pay

Estimate No. 4, and Pay Estimate No. 4 and concurred with the developers' payment of such pay estimates.

Next, Ms. Shipley presented updates on District projects. Abby Stanhouse discussed the District's Wastewater Treatment Plant ("WWTP") Control Building Replacement project and requested authorization to accept FEMA's funding commitment of \$720,000. Next, Ms. Shipley presented Purifics Invoice No. 705 for Equipment Storage and Insurance for the months of July and August in the amount of \$10,000. Then, Ms. Shipley presented Pay Application No. 6 to Industrial TX Corp. for Surface Water Treatment Plant Expansion in the amount of \$229,837.50. Lastly, Ms. Shipley requested authorization to begin design on the Dunes Lift Station Rehabilitation. After discussion, upon unanimous vote, the Board authorized the acceptance of the FEMA funding, approved payment of Purifics Invoice No. 705 and Pay Application No. 6, and authorized the engineer to being design on the Dunes Lift Station Rehabilitation.

Upon unanimous vote, the Board approved the engineer's report as presented.

5. The attorney presented updates to the status of work related to the Out-of-District Water Service Agreements with Newport Plaza and Them Sum. The attorney noted that the developer for Newport Plaza has completed the execution of the agreement and provided the necessary deposit. The attorney then informed the Board that Them Sum has abandoned its plans in the District and that the agreement will not move forward.

6. Lori Aylett provided a brief update on recently enacted House Bill 1522, which requires that information be added to the agenda if the discussion, adoption or amendment of the District's budget appears on the meeting notice.

7. Debbie Shelton did not have a financial advisor's report.

8. Brittany Keeswood presented a tax assessor collector's report, a copy of which is attached. The District's 2024 taxes were 98.25% collected. Sixteen (16) 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 96.50% collected. Zero (0) checks were presented for the Board's review and approval, and zero (0) wire transfers were made. The Defined Area No. 2's 2024 taxes were 100% 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.

9. 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.

10. Rich Harcrow and Andrea Martin presented the operations and billing collections report, a copy of which is attached. The District accounted for 96% of the water produced. The wastewater treatment plant operated within permit. There were four (4) new taps made for the month. Total current billing was \$524,073.91, and the District received collections from prior months of \$504,523.09. Upon unanimous vote, the Board approved the report as presented.

11. Mr. Harcrow presented the parks and recreational facilities report, a copy of which is attached. Mr. Harcrow informed the Board that 1,770 key fobs have been issued as of June 2025. Mr. Harcrow then reviewed two proposals for the installation of a drinking fountain at a District park facility. Mr. Harcrow reviewed a proposal from USA Drinking Fountain for \$5,683.95 and a proposal from Ferguson Enterprises LLC for \$5,974.74. Then, Mr. Harcrow requested the Board approve Proposal No. 11-1445 from American Paving LLC for widening sidewalks at Via Dora Park in the amount of \$3,775. After discussion, upon unanimous vote, the Board approved the parks and recreational facilities report as presented, accepted the proposal from USA Drinking Fountain for \$5,683.95 and authorized Proposal No. 11-1445 from American Paving LLC for widening sidewalks at Via Dora Park.

12. Bobby Skinner presented a brief developer's report. Then Ben Shahbazi thanked the Board for the District's cooperation in the Newport Plaza development.

13. Ms. Aylett provided a brief update to the Board on 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. New Cingular has accepted the District's comments. After discussion, upon unanimous vote, the Board approved the Structure Lease Agreement with New Cingular Wireless PCS, LLC.

14. Ms. Aylett provided a brief update to the Board on 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. She mentioned that she has presented Verizon with the District's final offer and is under the impression that Verizon is no longer interested in pursuing the contract with the District. She will alert the Board if Verizon tells her differently.

15. The Board discussed the Frontier Waste contract for garbage collection. The proposed contract includes additional required statutory language, a price increase from \$16.69 to \$19.95, and a consumer price index ("CPI") adjustment tied to the CPI for All Urban Consumers for garbage and Trash Collection with a 5 percent cap. The Board discussed the CPI adjustment and discussed whether the adjustment should be tied to the CPI for All Urban Consumers for Garbage and Trash Collection or the Texas-Woodlands-Sugarland CPI. Mr. Killian noted that Frontier Waste will not accept a contract with the Texas-Woodlands-Sugarland CPI. After discussion, upon unanimous vote, the Board approved the contract with Frontier Waste with the \$19.95 per month cost and a consumer price index ("CPI") adjustment tied to the CPI for All Urban Consumers for garbage and Trash Collection with a 5 percent cap.

16. The Board discussed potential amendments to the District's rates and charges. Director Hasse discussed his idea to fund the eventual replacement of the District's meters by adding an additional \$1.00 to each resident's monthly water bill to create a fund which the District can invest and eventually utilize to purchase new meters. Director Hasse recommended the \$1.00 increase should become effective on January 1, 2026. After discussion, upon unanimous vote, the Board adopted the attached Order for Adoption of Schedule of Water and Waste Collection and Disposal Services Fees and Rates, which order reflects a \$1.00 increase to the base water rates, effective January 1, 2026.

17. The Arbitrage Yield Restriction/Yield Reduction Report though August 17, 2025 on Series 2021 Unlimited Tax Bonds was tabled until the District's September meeting.

18. The Board discussed the Resolution Requesting Certified Estimate of Taxable Value of Property within the District's Defined Area 1. After discussion, upon unanimous vote, the Board approved the Resolution Requesting Certified Estimate of Taxable Value of Property within the District's Defined Area 1.

19. The Board considered proposals from Ameresco and Energy By 5 for electricity supply contracts. Mr. Jimmy Jackson, attending via teleconference, presented for Ameresco and Mr. Jay Anderson presented for Energy By 5. The Board's current electricity supply contract does not expire until November 2026. The Board took the presentations under advisement.

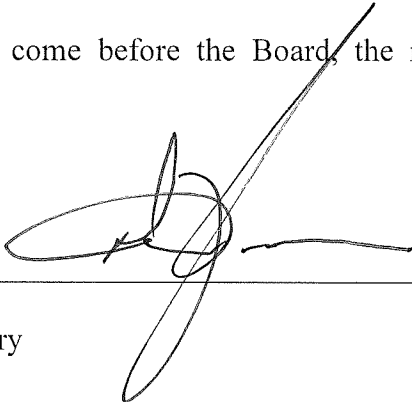
20. The Board discussed public education and outreach.

21. The board reviewed one groundwater reduction contract proposal from Harris County – Leadership Academy. After discussion, upon unanimous vote, the Board approved the groundwater reduction contract with Harris County – Leadership Academy.

22. No Executive Session was held.

23. Under pending business, Director Hasse recommended that the operator work with Touchstone to implement emergency notifications. Director Chasteen noted that the operator will need to alert customers on bills and on the webpage if and when the District changes the provision of emergency notifications. The operator agreed to work with Touchstone. Lastly, Director Hasse raised the issue of the high number of water meter rereads. Director Johnson noted that the issue may be caused by poor cell reception. The operator stated that a technician from the meter company will accompany one of the operators through the District to investigate why the number of rereads is high.

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



Secretary