

NEWPORT MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

September 18, 2025

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16401 Country Club Drive, Crosby, Texas, on September 18, 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
R. Gary Hasse, Director

and the following director absent:

None.

Also present were Don Cox, Brandon Lankford, Kelly Shipley, Abby Stanhouse, Rich Harcrow, Andrea Martin, Debbie Shelton, Rhonda Giddeon, Jorge Diaz, Brian Jarrard, Nino Corbett, 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. It was noted that Director Earl B. Boykin, Sr. passed away on August 29, 2025. Director Boykin provided over twenty years of service to the District, and its predecessor Harris County MUD 73, and routinely attended and contributed to District meetings through the District's August 21, 2025 meeting, which was his last. The Board and the meeting attendees expressed gratitude for Director Boykin's contributions to the Newport Municipal Utility District and to the greater Newport community. Upon the request of the Board, Lori Aylett read the Resolution of Appreciation to the meeting attendees. Upon unanimous vote, the Board approved the Resolution of Appreciation for Earl B. Boykin, Sr.

3. Minutes of the meeting of August 21, 2025, were presented for the Board's review and approval. Upon unanimous vote, the minutes were approved as presented.

4. There was no garbage collection report presented.

5. 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. 2 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 \$339,097.95. Then, Ms. Shipley presented Pay Application No. 8 to Crostex Construction, Inc. for Construction of the Water, Sanitary Sewer and Drainage Facilities and Paving and Appurtenances to Serve Newport Pointe Section 2 in the amount of \$29,084.99. Then, Ms. Shipley presented Change Order No. 3

to Crostex Construction, Inc. for Construction of the Water, Sanitary Sewer and Drainage Facilities and Paving and Appurtenances to Serve Newport Pointe Section 2 increasing the net contract price by \$7,850 to cover the cost of adjustment and repairs to constructed storm sewer improvements. Then, Ms. Shipley presented Pay Application No. 9 & Final to Crostex Construction, Inc. for Construction of the Water, Sanitary Sewer and Drainage Facilities and Paving and Appurtenances to Serve Newport Pointe Section 4 in the amount of \$30,953.81. Then, Ms. Shipley requested authorization to advertise the contract for the Newport Grove Section 2 Water, Sewage and Drainage. Lastly, Ms. Shipley presented Pay Application No. 1 & Final to BSC Management, Ltd. for Construction of the Phase II Clearing and Grubbing to Serve Enclave at Newport in the amount of \$124,850.

After discussion, upon unanimous vote, the Board approved Pay Estimate No. 2, Pay Estimate No. 8, Change Order No. 3, Pay Estimate No. 9 & Final and Pay Estimate No. 1 & Final and concurred with the developers' payment of such pay estimates. Upon unanimous vote, the Board authorized the engineer to advertise the contract for Newport Grove Section 2 Water, Sewage and Drainage.

Next, Ms. Shipley presented updates on District projects. Ms. Shipley presented Pay Application No. 7 to Industrial TX Corp. for Surface Water Treatment Plant Expansion in the amount of \$583,537.50. Then, Ms. Shipley presented Payment No. 1 to T Gray Utility/AIMS, LLC for Sanitary Sewer Phase 5 Manhole Rehabilitation in the amount of \$54,378.90. Next, Ms. Shipley requested authorization to advertise the contract for Sanitary Sewer Phase 9 Wastewater Treatment Plant Trunk Line Rehabilitation. Lastly, the engineer provided an update on the new FEMA maps. The engineer does not suspect the new maps will be released until 2028.

After discussion, upon unanimous vote, the Board approved Pay Application No. 7, Payment No. 1, and authorized the engineer advertise the contract for Sanitary Sewer Phase 9 Wastewater Treatment Plant Trunk Line Rehabilitation.

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

6. Lori Aylett provided a brief update on ongoing cyber-security threats to the District. She reminded the Board that a Board member will never be asked to approve a wire transfer outside of a meeting of the Board of Directors.

7. Debbie Shelton presented an updated cash flow analysis for Newport Municipal Utility District. The Board discussed the financing of future projects, including the probable replacement of the berm. The Board noted that this project is extremely costly and requested the consultants work together to try and find an alternative solution to flood plain requirements.

8. Ms. Shelton reviewed the Preliminary Official Statement and Notice of Sale of \$2,810,000 Newport Municipal District Defined Area 1 Unlimited Tax Bonds, Series 2025. She informed the Board that the District is awaiting approval from the Texas Commission on Environmental Quality (TCEQ) for the bond application report. If timely received, the District will sell bonds in October and close on the transaction in November. Upon unanimous vote, the Board

approved the Preliminary Official Statement and Notice of Sale and determined that the sale would be conducted in October, pending the TCEQ's approval of the Bond Application Report.

9. Rhonda Giddeon presented a tax assessor collector's report, a copy of which is attached. The District's 2024 taxes were 98.51% collected. Nine (9) 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 97.39% collected. One (1) check was 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.

10. Ms. Shelton presented tax rate recommendations. She reviewed several options with the Board, all of which were discussed in detail. After discussion, upon unanimous vote, the Board adopted the attached Resolution finding the District to be a developing district and authorizing the publication of a proposed debt service tax rate of \$0.39, a maintenance and operations rate of \$0.26780, a Defined Area No. 1 debt service tax rate of \$0.7422, and a Defined Area No. 2 maintenance and operations rate of \$0.7422, with public hearings to be held at the next regular meeting on October 16, 2025.

11. The attorney noted that she would make updates to the District's Tax Code §26.18 compliance document to reflect the proposed tax rates.

12. 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.

13. Rich Harcrow and Andrea Martin presented the operations and billing collections report, a copy of which is attached. The District accounted for 99% of the water produced. The wastewater treatment plant operated within permit. There were two (2) new taps made for the month. Total current billing was \$591,709.28, and the District received collections from prior months of \$505,966.84. Upon unanimous vote, the Board approved the report as presented.

14. It was noted that the District's operator, SI Environmental, Inc., will contract with AVR for billing software management. Upon unanimous vote, the Board approved the termination of the District's Software Maintenance Agreement with AVR and instructed the attorney to provide notice of the termination pursuant to the Software Maintenance Agreement.

15. Mr. Harcrow presented the parks and recreational facilities report, a copy of which is attached. Mr. Harcrow informed the Board that 1,776 key fobs have been issued as of September 2025. After discussion, upon unanimous vote, the Board approved the parks and recreational facilities report as presented.

16. The Board discussed proposals for tree pruning in public areas and potential cost-sharing with Newport POA. Rich Harcrow presented a proposal from the operator in the amount of \$390.00. Upon unanimous vote, the Board approved the proposal from the operator in the amount of \$390.00.

17. Nino Corbett presented a brief developer's report.

18. Brian Jarrard discussed the request of Riverway Crosby Heights LLC for a Long-term Groundwater Credits Agreement. Jarrard Development, the developer of the project, wants to explore the potential for a contract between the development, which will be a new municipal utility district, and Newport for the long-term purchase of Newport's groundwater reduction credits. It was noted that the District has previously discussed the benefits of engaging in such agreements. The Board informed Mr. Jarrard that the District is interested in continuing discussions regarding the agreement.

19. It was noted that the District will begin discussions regarding the fiscal year ending December 31, 2026 budget at the upcoming meetings. The Board requested that consultants prepare any contract price increase requests prior to said discussions.

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

21. The Board discussed public education and outreach. Director Chasteen will continue to work with the engineers to put together the newsletter.

22. The Board reported on the Newport MUD fourth annual tree giveaway in association with Trees for Houston. Director Chasteen noted that 300 trees will be given away on Saturday, October 18. Residents will be able to take up to two trees—one red maple tree and one eastern red bud tree. The Board approved up to \$200 for the rental of a U-Haul trailer to deliver the trees to the distribution area.

23. There were no groundwater reduction contract proposals presented.

24. No Executive Session was held.

25. Under pending business, Director Johnson noted that he has engaged in conversations with the constables regarding the District installing FLOCK cameras at the entrance to the District to assist in on-going crime prevention measures. Director Johnson will present proposals from the constables when he receives them.

26. Under public comment, Don Cox recommended placing calisthenics equipment in the District's parks so children can improve their fitness while making use of the parks.

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


Secretary Pro Tempore