

NEWPORT MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

October 16, 2025

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16401 Country Club Drive, Crosby, Texas, on October 16, 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
R. Gary Hasse, Director

and the following director absent:

Deborah Florus, Secretary.

Also present were James Givans, Don Cox, Brandon Lankford, Drew Purdy, Abby Stanhouse, Rich Harcrow, Andrea Martin, Jared Welsh, 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. At the start of the meeting, Director Chasteen was named Secretary Pro Tempore as the District's Secretary, Director Florus, was unable to attend the meeting.

1. The President entertained public comments. James Givans introduced himself to the Board and described an issue he experienced with the District's tax collection. Sequential changes in the appraisal rolls by the Harris Central Appraisal District created an erroneous deficiency on his tax account. The attorney and the tax-collector spoke with him prior to the meeting, and the issue has been resolved. The tax-collector noted that her office must work off of the information provided by the Appraisal District. Mr. Givans thanked the Board for the attention to his concern. Then, Brandon Lankford asked the operator a question regarding the change in billing software. The operator noted that no penalties for late payments will be charged during the conversion and described the efforts undertaken to alert the residents of the switch.

2. Minutes of the meeting of September 18, 2025, were presented for the Board's review and approval. Upon unanimous vote, the minutes were approved as presented.

3. There was no garbage collection report presented.

4. Abby Stanhouse presented the engineer's report, a copy of which is attached. Ms. Stanhouse presented updates for developer projects. First Ms. Stanhouse presented Change Order No. 2 to Crostex Construction, Inc. for Water, Sanitary Sewer and Drainage Facilities and Paving and Appurtenances to Serve Newport Pointe Section 5 increasing the price of the contract by \$2,675.00. Then, Ms. Stanhouse presented Pay Estimate No. 1 to Blazey Construction Services, LLC for Construction of the Water, Sanitary Sewer, Force Main, Drainage and Detention Facilities Section 1 in the amount of \$208,491.12. The engineer noted that the project associated with Pay Estimate No. 1 has not yet received permitting approval from Harris

County, but the Pay Estimate is for items that are not related to the permitting approval. The engineer recommended that the Board approve Pay Estimate No. 1.

After discussion, upon unanimous vote, the Board approved Change Order No. 2, and Pay Estimate No. 1 and concurred with the developers' payment of such pay estimates.

Next, Ms. Stanhouse presented updates on District projects. Ms. Stanhouse presented Pay Application No. 8 to Industrial TX Corp. for Surface Water Treatment Plant Expansion in the amount of \$313,087.50. Then, Ms. Stanhouse presented Change Order No. 1 to Industrial TX Corp. for Surface Water Treatment Plant Expansion increasing the net contract price by \$26,270.35. Next, Ms. Stanhouse requested authorization to advertise the contract for Sanitary Sewer Phase 8 Sanitary Sewer Phase 8 Manhole Rehabilitation. Then, Ms. Stanhouse requested authorization to prepare the renewal application for the Detention Pond Master Storm Water Quality Permit No. 8-001847-1. Lastly, the engineer sought Board approval for the Newport Pointe Section 6 Water and Wastewater Capacity Commitment.

After discussion, upon unanimous vote, the Board approved Pay Application No. 8, Change Order No. 1, authorized the engineer to advertise the contract for Sanitary Sewer Phase 8 Sanitary Sewer Phase 8 Manhole Rehabilitation, authorized the preparation of the renewal application for the Detention Pond Master Storm Water Quality Permit No. 8-001847-1, and approved Newport Pointe Section 6 Water and Wastewater Capacity Commitment.

Next, Ms. Stanhouse presented the supplemental engineer's report. Ms. Stanhouse presented Invoice No. 771 to Purifics Water Inc. for September 2025 and October 2025 equipment storage and insurance in the amount of 10,000. After discussion, upon unanimous vote, the Board approved Invoice No. 771. Lastly, Ms. Stanhouse noted that LAN believes Newport will benefit from switching to an electronic bidding process on CivCast. The engineer noted that benefits include automatic bid tabulation, a reduction in mathematical errors and the potential for additional bidders, all which improve the efficiency of the procedure. The Board agreed and requested that the November agenda contain a Resolution Adopting Rules for Electronic Bidding.

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

5. Lori Aylett provided a brief update on the uptick in Public Information Act requests that her office is handling. The District has not yet been subjected to the requests, but the attorney noted that it is likely the requests will come.

6. Jared Welsh gave the financial advisor's report, including the status of the District's Defined Area 1 Series 2025 bond sale. The District advertised for bids for sale of the Series 2025 \$2,810,000 Unlimited Tax Bonds for Defined Area 1. The District received three bids, and the lowest bid was from Hilltop Securities with a net effective interest rate of 4.739958% to be insured by Build America Mutual. Mr. Welsh recommended that the bonds be sold to Hilltop Securities. Mr. Welsh also presented a pricing book and disclosures, which are attached hereto. Upon motion made and duly seconded, the Board voted unanimously to adopt the Order Awarding the Sale of the District's Defined Area 1 Series 2025 Unlimited Tax Bonds, which order is attached to the minutes.

7. The Board reviewed a bond order for the District's Defined Area 1 Series 2025 Unlimited Tax Bonds. Ms. Aylett reviewed the bond order and described terms by which the District is issuing the bonds. The bond order includes the legal authority enabling the District and the District's Defined Area 1 to issue bonds, the maturities and interest rates on the bonds as determined by the underwriter's bid and conditions that the District will follow to assure that interest on the bonds remains exempt from federal taxation. The bond order includes the District's covenant to levy taxes each year in an amount adequate to support the bonds. Furthermore, the District covenants to provide continuing disclosure of information as required by rules of the Securities Exchange Commission and other applicable agencies. After discussion, upon motion duly made, seconded, and unanimously carried, the Board voted to adopt the bond order for the District's Defined Area 1 Series 2025 Unlimited Tax Bonds which order is attached to the minutes.

8. It was mentioned that the District is required to issue an Official Statement for the District's Defined Area 1 Series 2025 Unlimited Tax Bonds. Mr. Welsh described procedures that will be followed to update the Preliminary Official Statement and provide actual information resulting from the sale of the bonds. The Official Statement will be prepared and reviewed by the District's consultants and disclosure counsel and will be printed and distributed to the underwriter and all purchasers of the bonds. After discussion, upon motion duly made, seconded and unanimously carried, the Board voted to approve and authorize completion of the Official Statement and to distribute the Official Statement as required by law.

9. It was mentioned that the District will require that services of a paying agent/registrar bank with regard to the District's Defined Area 1 Series 2025 Unlimited Tax Bonds. After discussion, upon motion made and unanimously carried, the Board voted to approve and authorize execution of a paying agent/registrar agreement with Bank of New York Mellon Trust Company, N.A. for the District's Defined Area 1 Series 2025 Unlimited Tax Bonds.

10. After discussion, upon motion duly made, seconded and unanimously carried, the Board voted to adopt resolutions authorizing the District's directors and consultants to take all necessary actions to secure approval of the District's Defined Area 1 Series 2025 Unlimited Tax Bonds and delivery of the bonds to the underwriter.

11. The Board next confirmed the prior engagement of McCall Gibson Swedlund Barfoot Ellis, PLLC to perform Agreed-Upon-Procedures Report for payment to the developer for construction of water, sewer and drainage facilities from proceeds of District's Defined Area 1 Series 2025 Unlimited Tax Bonds. The auditor will prepare the report for the District's September meeting. Director Johnson noted that developer reimbursement is included in the proceeds of this bond sale because the bonds are supported by the levy of a tax on property in Defined Area No. 1 and not the remainder of Newport MUD.

12. Brittany Keeswood presented a tax assessor collector's report, a copy of which is attached. The District's 2024 taxes were 98.60% collected. Eight (8) 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. 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.

13. The tax assessor-collector confirmed publication of the District's proposed 2025 tax rates for the District, Defined Area No. 1 and Defined Area No. 2. The Board opened the public hearing on the proposed 2025 tax rate at 5:04 pm. Hearing no public comments, the Board closed the public hearing on the proposed 2024 tax rate at 5:05 pm.

14. Ms. Aylett presented the Order Adopting Appraisal Roll and Levying Tax for 2025 for the District, the Order Adopting Appraisal Roll and Levying Tax for 2025 for the Defined Area No. 1, and the Order Adopting Appraisal Roll and Levying Tax for 2025 for the Defined Area No. 2 to the Board. The Order for the District reflects a total tax rate of \$0.6578 per \$100 assessed valuation, composed of a debt service tax rate of \$0.39 and a maintenance and operations tax rate of \$0.26780. The order for the Defined Area No. 1 reflects a debt service tax rate in the Defined Area No. 1 of \$0.7422. The order for the Defined Area No. 2 reflects a maintenance and operations tax rate in the Defined Area No. 2 of \$0.7422. Upon unanimous vote, the Board approved the attached Order Adopting Appraisal Roll and Levying Tax for 2025 for the District, the attached Order Adopting Appraisal Roll and Levying Tax for 2025 for the Defined Area No. 1, and the attached Order Adopting Appraisal Roll and Levying Tax for 2025 for the Defined Area No. 2.

15. Ms. Aylett then presented the three Amendments to Statement of Directors Furnishing Information Required by Section 49.455(b), Texas Water Code, as Amended, one related to District and the others related only to the Defined Areas. The attorney noted that the Amendments to Statement of Directors are updated anytime the District adopts a new tax rate and are filed in the real property records of Harris County. Potential purchasers of property in the District and in the Defined Areas are on notice that they are located in the District and Defined Areas, if applicable, and they are on notice as to the current tax rate of the District and Defined Areas, if applicable, and other related information. Upon unanimous vote, the Board approved the Amendments to Statement of Directors.

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

17. 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.

18. Rich Harcrow and Andrea Martin presented the operations and billing collections report, a copy of which is attached. The District accounted for 80% of the water produced. It was noted that this lower accountability number is likely due to meter re-reads, which the conversion in billing software should fix, and mainline breaks caused by the lack of rain. The wastewater treatment plant operated within permit. There were four (4) new taps made for the month. Total current billing was \$586,191.75, and the District received collections from prior months of \$488,253.10. The operator noted that the current plan is to pause penalties for late payments for the current month while the conversion in billing software is taking place. The operator asked the Board if they would like to extend the pause from 30 days to 60 days or 90

days. Upon unanimous vote, the Board approved the report as presented and paused late penalties for 90 days.

19. Mr. Harcrow presented the parks and recreational facilities report, a copy of which is attached. Mr. Harcrow informed the Board that 1,781 key fobs have been issued as of October 2025. The operators noted that the Board typically closes the District's splash pads after the first cold front, and asked the Board if they would like to follow the practice. The Board maintained the policy of closing the splash pads after the first cold front, but asked the operator to contact either Director Johnson or Director Chasteen prior to closing the splash pads for final confirmation. Lastly, Director Chasteen praised the appearance of the fences at Via Dora park, which were installed to make the park more accessible for residents with special needs. Director Chasteen will coordinate with the resident who spearheaded the project to plan a grand opening in the springtime. After discussion, upon unanimous vote, the Board approved the parks and recreational facilities report as presented.

20. No developer's report was presented.

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

22. There were no groundwater reduction contract proposals presented.


23. It was noted that Director Earl Boykin was the District's designated voter for Association of Water Board Directors (AWBD) matters. Upon unanimous vote, the Board appointed Director Johnson as the District's designated voter for AWBD matters.

24. No Executive Session was held.

25. No pending business was discussed.

26. Under public comment, Dox Cox noted that the acoustics in the meeting facility are not optimal. The Board noted that the acoustics could be better, but until the District's meeting building is complete, the Board will need to continue meeting in the current space.

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


Secretary *Pro Tempore*