# NEWPORT MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

July 16, 2026

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16401 Country Club Drive, Crosby, Texas, on July 16, 2026, in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

DeLonne L. Johnson, President
R. Gary Hasse, Vice President
Deborah Florus, Secretary
Brandon Lankford, Director

and the following director absent:

None.

Also present were Andrea Martin, Kelly Shipley, Jorge Diaz, Debbie Shelton, Brent Fleischer, Don Cox, Ben Shahbazi, Aubrey Hepler, Brittni Silva, Rich Harcrow, 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 Chair called for public comment. Resident Don Cox made a general inquiry about the warranty inspection at the control building at the sewage treatment plant, and the engineer responded.

2. Minutes of the meeting of June 23, 2026, were presented for the Board's review and approval. Upon unanimous vote, the minutes were approved as presented.

3. The Board did not consider a garbage collection report, as a representative was not present.

4. Kelly Shipley presented a District engineering report, a copy of which is attached. She first presented a utility commitment letter issued to Taylor Morrison of Texas for Newport Grove. The commitment reflected that the Board has capacity to serve 103 lots in Section 1, 87 lots in Section 2, and 60 lots in Section 3 of Newport Grove.

The engineer next presented Pay Application No. 1 to CF McDonald for Newport Pointe Lift Station Phase 2 upgrade in the amount of $146,942.10. The engineer recommended Board concurrence in the developer's payment of the pay application. The engineer next presented Pay Application No. 17 to Texas Industrial for the surface water treatment plant expansion in the amount of $258,162.50 and recommended its approval. She next presented Pay Application No. 6 for Sanitary Sewer Phase 6 rehabilitation to Bull-G Construction in the amount of $121,161 and recommended its approval. She next presented Pay Application No. 2 to Ram Rod Utilities, LLC for Sanitary Sewer Phase 7 rehabilitation work in the amount of $15,816.24 and recommended its approval. Finally, the engineer recommended of Pay Application No. 4 3 to All Team Solutions, LLC in the amount of $32,724 for Sanitary Sewer Phase 8 manhole rehabilitation.

Upon unanimous vote, the Board approved the utility commitment and all pay applications as presented.

The engineer reported that they completed the warranty inspection for the ramp at the control building at the sewage treatment plant. Regarding the administration building, a LOMR was submitted to FEMA for review on June 25 and the engineer anticipates a response from them on July 22. The engineer has met with EPA representatives regarding grant funding. The District engineer asked for Board authorization to submit grant applications on the District's behalf, and the District is anticipated to receive $750,000. Upon unanimous vote, the Board approved the engineer to take such actions on the District's behalf.

5. The attorney noted that she had not yet received a draft of the First Amendment to the Water Supply and Groundwater Reduction Contract with Harris County Municipal Utility District No. 578 from their legal counsel. Accordingly, the Board tabled consideration of the amendment.

6. The Board reviewed a proposed Cost-Sharing Agreement with Harris County MUD 578 to upsize certain water lines for the benefit of Newport MUD. The upsized lines would provide better pressure and fire protection to the District's wastewater treatment plant. Upon unanimous vote, the Board approved the form of the agreement and authorized its submission to MUD 578.

7. The Board discussed the office and meeting building. Director Hasse noted that he had worked with Bernard Architects to revise the plans. One revision was to add brick all the way around the building, since in its new location it will be more visible to residents on all sides. Director Hasse noted that the District will need to conduct some geotechnical work at the new site, and the engineer agreed to assist by working with their geotechnical engineer Nino and Moore. The engineer also agreed to assist with preparation of civil site plans.

8. Lori Aylett presented an attorney's report. She received feedback from the San Jacinto River Authority on revisions that will be required to proposed Water Supply Contract with Newport Plaza (Ben Shahbazi) as a condition of receiving SJRA approval. Mr. Shahbazi noted that he would like clearer lines of communication regarding the status of his project. The Board suggested that Mr. Shahbazi continue to attend meetings periodically to be informed on District matters. The attorney noted that she would communicate any legal matters, and the engineer and operator noted that they would also communicate any matters within their purview.

The attorney presented a request from Taylor Morrison for the District to accept several park and drainage reserves. The engineer, operator and attorney agreed that it would be appropriate for the District to accept conveyance of Reserve G (Welcome Park), Reserve K (Orchard Park), Reserve D (detention), and Reserve C (lift station site). A fifth reserve was requested for dedication by Taylor Morrison, Reserve H. The engineer and operator had not yet had the opportunity to inspect that site to confirm whether any District facilities are located thereon. Therefore, the Board deferred acceptance of Reserve H but agreed to accept Reserves G, K, C and D.

9. Debbie Shelton presented a financial advisor's report. She is preparing a preliminary official statement for the next Defined Area 1 bond issue for the Board's consideration at next month's meeting.

10. The Board deferred consideration of any proposal from Verizon for lease of space on the elevated storage tank, as they were currently pursing other options.

11. Brittni Silva presented the tax assessor collector's report, a copy of which is attached. The District's 2025 taxes were 97.33% collected. Six (6) checks were presented for the Board's review and approval, and two (2) wire transfers were made. In Defined Area No. 1, the 2025 collection percentage was at 95.2% with the issuance of one wire. Defined Area No. 2's 2025 tax collections were at 100%. Upon unanimous vote, the Board approved the tax assessor collector's report as presented.

12. There was presented the attached Resolution Requesting Certified Estimate of Taxable Value of Property within the District and Resolution Requesting Certified Estimate of Taxable Value of Properties within Defined Area 1, both as of July 1, 2026. Upon unanimous vote, the Board approved the resolutions as presented.

13. 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.

14. The Board reviewed the ethics letter and update by Investment Officer, Jorge Diaz. The attorney noted that annually the Investment Officer is required to disclose whether he has any personal business relationships with any entities seeking to sell an investment to the District. Mr. Diaz submitted the required disclosure which indicated that he had no such relationships to disclose. Upon unanimous vote, the Board approved the Investment Officer disclosure as presented and authorized its filing with the Texas Ethics Commission and in the minutes of the District, as required by law.

15. Andrea Martin presented the operations report, a copy of which is attached. The operator noted receipt of a request from a resident to move a meter location, due to driveway work in their yard. The Board approved the request subject to owner's payment for time and materials.

Andrea Martin next presented the billing and collections report. Total current billing was $539,358.73, while payments totaled $562,411.22. Director Hasse noted that the procedure for signing up for paperless billing was not as simple as it should be. He requested that the operator take steps to simplify the process, if possible. Director Florus noted that she had signed up for paperless billing two months ago and was still receiving paper bills. Upon unanimous vote, the Board approved the operator and billing and collection reports as presented.

16. The Board deferred consideration of utility write-offs for one month.

17. Rich Harcrow presented a parks and recreational facilities report, a copy of which is attached. He reported that 1,820 key fobs had been issued. The operator presented quotes from City Wide Audio Video Security for cameras at District lift stations in accordance with the Board's previous request. The Board had asked for costs to install cameras, since the District was

installing generators at all of these sites. After discussion, the Board tabled consideration of the proposals.

18. No developer's report was presented.

19. The Board discussed public education and outreach. Andrea Martin presented a hurricane preparedness flyer. The Board authorized its distribution on the website.

20. Ms. Aylett did not present any groundwater reduction contracts for review.

21. No executive session was held.

22. There was no pending business discussed.

23. No additional public comments were received.

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

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Secretary