

**NEWPORT MUNICIPAL UTILITY DISTRICT**  
Minutes of Special Meeting of Board of Directors  
July 2, 2025

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16401 Country Club Drive, Crosby, Texas, on July 2, 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 Billy Killian, Terry Woodson, Andrea Martin, Rich Harcrow, Abby Stanhouse (via telephone conference), 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. No public comment was presented.

2. The Board discussed the contract for garbage collection. Terry Woodson of Frontier Waste Solutions presented a renewal proposal for residential collection and disposal services for the District. The contractor had previously given notice that they would not allow the existing contract to automatically renew under its current terms and conditions, due to increased prices. Frontier proposed a new rate of \$19.95 per household per month, with a five-year contract and annual increases based upon the Consumer Price Index for all urban consumers (CPI-U), garbage, and trash service, capped at 4%. Ms. Woodson discussed the specifics of the proposal. Frontier currently services three other communities in the area who are billed higher rates than that proposed, but Frontier was eager to maintain the District's business and was cognizant of Newport's support and engagement with Frontier. Frontier has tracked the volume of waste and noted that Newport's volume is about 65 pounds per house, which is over the average of most communities of 50 pounds per house. Also, Frontier has grown substantially and has higher overhead. Frontier purchased 50 new trucks last year to service all of its clients, and each one costs about \$500,000.

Billy Killian addressed the Board and stated that candidly Frontier's mistake in negotiating the first contract was agreeing to a 2% cap on escalation. While that seemed reasonable at the time, current economic conditions made that untenable. Mr. Killian noted that he values Newport very much as a client and realizes that they started with Frontier in 2019 when Frontier was a young company. He thanked the Board for its support. Ms. Woodson noted that the all-urban Consumer Price Index was standard in the industry. She noted that last year this CPI increase amounted to approximately 6.1%. After a full discussion, upon a vote of four to one, with Director Johnson opposing, the Board approved the proposal of Frontier Waste for a new contract at \$19.95

per household per month and authorized the attorney to review the new contract on the District's behalf.

3. The Board considered the engineer's report and the FEMA reimbursement. Abby Stanhouse addressed the Board via telephone conference. She noted that FEMA had initially stated that they would reimburse the District \$650,000 for cost of the wastewater treatment plant control building. The actual project cost amounted to over \$1,000,000. The engineer and operator negotiated with FEMA for coverage of the additional project costs, but as a result, FEMA applied a larger insurance reduction. After application of the larger insurance reduction, the net increase expected from FEMA is \$9,000. The engineer recommended that the District await documentation from FEMA of this increase. If the documentation bears out this calculation, the engineer recommended that the Board accept the payment so that this FEMA matter can be closed out. The Board concurred with the engineer's recommendations.

4. The Board discussed the structure lease agreement with New Cingular Wireless PCS, LLC. The Board authorized the attorney to accept AT&T's pricing terms and continue to negotiate final contract terms.

5. The Board discussed the water tower lease agreement with GTE Mobilnet of South Texas Limited Partnership d/b/a Verizon Wireless. The attorney noted that Verizon had offered a lower rental rate than AT&T and had proposed substantial revisions to the contract terms that were not advantageous to the District. The Board authorized the attorney to make a final offer to Verizon for the financial terms equal to the offer presented by AT&T. Only if this offer is accepted will the attorney begin work on the other revisions. Director Johnson noted that in his opinion, the financial terms are not as important as the other terms of the contract and protection of the District's water tower and site. He noted that the primary purpose of the water tower was to provide service to Newport residents. The attorney noted that she would keep those interests paramount in the negotiations.

6. Lori Aylett presented an attorney's report. She provided an informal market summary for garbage rates. Director Johnson noted that he did not object to the rate offered by Frontier, but he was concerned that the Board members had not gotten their packet information in a timely manner before the meeting. This did not allow the Board adequate opportunity to consider the financial aspects of the proposal. He stated that he would like to remind Frontier to get information to the District well in advance so that the Board will have time to digest it. He also noted that he would like more time to analyze the proposed CPI increase. The attorney noted that the Board would have time to review these matters during the contract negotiation.

7. The Board discussed the operations and billing report. Rich Harcrow noted that the generators have been topped off and are ready to run. District facilities are ready for hurricane season, and more diesel has been ordered.

Andrea Martin noted that the work order and billing system updates will occur in the late summer or early fall. It will likely be September. They will begin providing information on the transition to the residents. This will require residents to make a change if they use automatic billing.

8. The Board discussed parks and recreation facilities. The swing set for the Via Dora Park should come in next week, and construction can start. The operator has ordered a lake aeration system from Lake Management and will be able to install it and combat the salvinia.

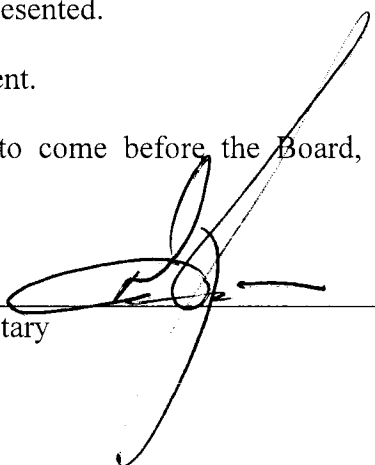
Rich Harcrow noted that the District should upgrading the controller for the fob system at the Port O' Call Park. That system has failed twice recently. The operator will obtain a quote for its replacement.

9. There was no need for an executive session.

10. No pending business was presented.

11. There was no public comment.

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



Secretary