

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF
THE RIVER PLACE MUNICIPAL UTILITY DISTRICT**

August 19, 2016

The Board of Directors of the River Place Municipal Utility District of Travis County, Texas met in **special** session, open to the public on August 19, 2016 at the River Place Country Club, 4207 River Place Boulevard, Austin, Texas beginning at 1:00 p.m., pursuant to notice duly given in accordance with the law.

The roll was called of the following members of the Board to wit:

Patrick Reilly	President
Arthur Jistel	Vice President
Scott Crosby	Secretary
Lee Wretlind	Treasurer
Claudia Tobias	Assistant Secretary/Treasurer

and all Directors were present, thus constituting a quorum.

Also present were Patricia Rybachek and Michael Luft of Severn Trent Environmental Services ("ST"), the District's General Manager.

Upon calling the meeting to order, Director Reilly noted that there were no residents in attendance that wished to address the Board. He also stated that the purpose of the meeting was to discuss the District's proposed budget for the fiscal year ending September 30, 2017.

Director Wretlind then reviewed a PowerPoint presentation of the proposed budget with the Board. The Board then discussed the proposed budget at length.

There being nothing further to come before the Board, the Board confirmed its next meeting date of August 22, 2016, and the meeting was adjourned.




Secretary, River Place MUD
Board of Directors

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF
THE RIVER PLACE MUNICIPAL UTILITY DISTRICT**

August 22, 2016

The Board of Directors of the River Place Municipal Utility District of Travis County, Texas met in **regular** session, open to the public on August 22, 2016, at the River Place Country Club, 4207 River Place Boulevard, Austin, Texas beginning at 2:00 p.m., pursuant to notice duly given in accordance with the law.

The roll was called of the following members of the Board to wit:

Patrick Reilly	President
Arthur Jistel	Vice-President
Scott Crosby	Secretary
Lee Wretlind	Treasurer
Claudia Tobias	Assistant Secretary/Treasurer

and all Directors were present, thus constituting a quorum.

Also present were Patricia Rybachek, Lisa Adkins, and Michael Luft of Severn Trent Environmental Services ("ST"), the District's General Manager; Herb Edmonson of Gray Engineering, Inc. ("Gray"), the District's Engineer; and Phil Haag and Suzanne McCalla of McGinnis Lochridge ("McGinnis"), the District's Attorney.

Upon calling the meeting to order, Director Reilly noted that there were no residents present who wished to address the Board.

The next item of business was approval of the monthly consent agenda containing the minutes of the July 26, 2016, regular meeting and payment of bills and expenses. After review and upon a motion duly made by Director Jistel and seconded by Director Tobias, the Board voted unanimously to approve the Consent Agenda as presented.

Next, the Board discussed the First Amendment to the Strategic Partnership Agreement (the "SPA") between the City of Austin (the "City") and the District regarding the District's 323 acres of park land (the "Preserve Land"). Mr. Haag reported that at the City's recent City Council meeting, the amendment was presented and approved.

The Board next reviewed the ORDER OF THE BOARD OF DIRECTORS OF RIVER PLACE MUNICIPAL UTILITY DISTRICT REESTABLISHING PARK RULES (the "Order"). Mr. Haag explained that the District's Park Rules and Regulations (the "Park Rules") were originally part of the District's Rules Governing Water and Wastewater Services ("Rate Order"). He continued that pursuant to the SPA, the City now provides water and wastewater services to the District, thus making the majority of the Rate Order obsolete. Mr. Haag told the Board that the Order re-establishes the Park Rules as a "stand alone" document separate from the Rate Order. Ms. Rybachek pointed out that Park Rules presented for review by the Board included the Board's requested changes. After review of the Park Rules, the Board noted that Section 1.07 – Trail Rules should stipulate that no

fires, camping, or cooking are allowed along the Nature Trail. After further discussion, upon a motion duly made by Director Jistel and seconded by Director Crosby, the Board voted unanimously to: (1) revise the Park Rules to include the above-stated changes to Section 1.07 – Trail Rules; (2) approve the Order as presented; and (3) authorize publication of a substantive statement of the Park Rules and the penalties for their violation. A copy of the Order, thus approved, is attached hereto and shall be considered an amendment to these minutes.

Next, the Board discussed the status of the District's financial reserves. Director Crosby stated his belief that a portion of the District's financial reserves currently in the Park Fund should be used to reduce the District's overall bond debt. Director Jistel commented that some of the funds in the Park Fund would be used to update the District's Parks and sports fields going forward. He also stated his view that the Park Fund should be available in the event of a future emergency if the District is approved as a limited district. Director Wretlind opined that if a catastrophic event were to occur and the District did not have sufficient financial reserves available, the District would have to raise its tax rate. Director Reilly stated that the amounts in the Park Fund serve three functions: future capital expenditures; emergencies, such as soil erosion along the lake; and maintaining the District's tax rate. After a question from Director Crosby, Director Reilly pointed out that there currently appeared to be the beginning of an erosion issue along the shoreline located in Woodlands Park. Director Wretlind verified that he and Director Jistel would investigate the issue and report their findings to the Board. Director Tobias confirmed that maintenance of the District's parks was costly. A lengthy discussion ensued regarding possible uses of the District's Park Fund. Director Crosby motioned to use a portion of the District's financial reserves in the Park Fund to reduce the District's bond debt and lower the overall tax rate going forward. The motion died for lack of a second.

Director Crosby next suggested that the District hire a specialist to do a study of the District's financial reserves to determine how much would be a sufficient amount to maintain as surplus funds. Ms. Adkins stated that she was in the process of assembling a "depreciation schedule" for the District's assets. The Board discussed at length the value of such a study. No action was taken.

The next item of business before the Board was consideration of the District's budget for the fiscal year ending September 30, 2017. Director Wretlind recommended that the District consider approving a budget for 14.5 months [October 1, 2016 through December 15, 2017], which budget would cover the time until the District was annexed by the City. He continued that after that time if the Limited District was approved by the voters of the District, the Board could approve a new budget for the remaining 9.5 months [December 16, 2017 through September 30, 2018]. He stated that he had calculated that the 14.5-month budget would require a maintenance and operations tax rate of \$0.1345 per \$100 of assessed valuation and a debt service tax rate of \$0.0725 per \$100 of assessed valuation for an overall total tax rate of \$0.2070 per \$100 of assessed valuation. He pointed out that the District's Financial Advisor was recommending a maximum overall tax rate of \$0.2295 for the fiscal year ending September 30, 2017. A lengthy discussion ensued regarding the possible advantages and disadvantages of a 14.5-month budget. Director Crosby emphasized his position that a 12-month budget should be approved, with any surplus

funds used to lower the District's future tax rate. After additional discussion, Director Wretlind made a motion to approve a 14.5-month budget contingent on a maintenance and operations tax rate of \$0.1345 per \$100 of assessed valuation and a debt service tax rate of \$0.0725 per \$100 of assessed valuation for an overall tax rate of \$0.2070 per \$100 of assessed valuation. The motion passed with Directors Tobias, Wretlind, Reilly and Jistel voting in favor and Director Crosby voting against the motion.

Next, the Board reviewed a proposal from Maxwell, Locke & Ritter, LLP ("Maxwell"), for audit services for the fiscal year ended September 30, 2016, a copy of which is included in the Board packet attached hereto. Ms. Rybachek stated that Maxwell's proposed costs to prepare the audit were the same as the costs from 2015. Director Reilly recalled that last year Maxwell had agreed to reduce their originally proposed amount from \$19,500 to \$15,500, a reduction of \$5,000 over the previous year's costs of \$20,500. After a brief discussion, upon a motion duly made by Director Wretlind and seconded by Director Crosby, the Board voted unanimously to authorize Maxwell to complete the District's audit for the fiscal year ended September 30, 2016, at a total cost to the District of \$15,500.

The Board then reviewed the tax rate summary included in the Board Packet and discussed a proposed tax rate for 2017. After discussion, upon a motion duly made by Director Jistel and seconded by Director Wretlind, the Board voted to approve the proposed maximum total tax rate of \$0.2295 per \$100 of assessed valuation. The motion passed with Directors Tobias, Wretlind, Reilly and Jistel voting in favor of the motion and Director Crosby voting against the motion.

Next, Director Wretlind made a motion to call the District's public hearing on the 2016 proposed tax rate for September 29, 2016, and to authorize publication of the public notice of the tax hearing in the Four Points News, as in previous years. Director Jistel seconded the motion, which passed unanimously.

The Board then considered the appointment of new members to the District's Committees. After discussion, upon a motion duly made by Director Wretlind and seconded by Director Jistel, the Board agreed to the following changes in the Committees:

Audit, Budget, Management and Investment

Director Reilly (Co-Chair) Director Wretlind (Co-Chair), Director Crosby (Alternate), Ms. Adkins (Accounting)

Ethics

Director Wretlind (Chair); Director Crosby (Partner), Director Reilly (Alternate Partner), Mr. Haag (General Counsel)

Parks, Habitat Preserve, Open Space and Nature Trail

Director Jistel (Chair); Director Tobias (Partner), Director Reilly (Alternate Partner), Ms. Rybachek (General Manager)

Security

Director Jistel (Chair); Director Reilly (Partner), Director Tobias (Partner), Rybachek (General Manager)

Next, Ms. Rybachek presented the General Manager's report in its entirety and as contained in the Directors' packets and attached hereto as an exhibit to these minutes. Ms. Rybachek told the Board that the original estimate of \$1,200 for ST to install the signs along the Nature Trail was incorrect. She explained that because of the rocky areas where the signs would be installed, labor costs had increased by \$400 for a total cost of \$1,600 to install the signs. She added that there would also be a 20% markup by ST on the purchase price of the signs pursuant to the District's contract with ST. After discussion, upon a motion duly made by Director Jistel and seconded by Director Tobias, the Board voted unanimously to authorize the additional costs to purchase and install the signs along the District's Nature Trail as discussed above.

Ms. Rybachek next reported that e-mails had been sent out to District Residents regarding the formation of an ad hoc committee to discuss the purchase of playscape equipment for Sun Tree Park in the District (the "Park Project"). She stated that the request was for parents of children aged two to 12 years to help select the playscape equipment. She added that information regarding the formation of the committee was also on the District's website as well as on the message boards in both of the District's parks. She stated that after park equipment was selected, her office would work with the District's Engineer to prepare the specifications to include in the bid documents.

Continuing her report, Ms. Rybachek stated that the District's reservation system was going well and that the new tennis memberships would begin on October 1. She pointed out that memberships would be for one year, with the year beginning on the date the member signed up.

Mr. Edmonson then presented the Engineer's Report, as contained in the Director's packets. He reported that Gray had completed the site plan to develop the procedures for dewatering areas of the Boardwalk Pond in the District to facilitate cleaning out the buildup of silt and sediment in the pond (the "Pond Project"). He added that Gray was currently soliciting proposals for the Pond Project, and he estimated the total cost to complete the Pond Project would be between \$20,000 and \$30,000.

Next, Mr. Edmonson reported that his office had requested proposals from contractors to address the items that Altura Solution, L.P., had indicated in their report to the District would need to be completed at Sun Tree Park to ensure compliance with Texas Accessibility Standards. He stated that any proposals received would be forwarded to the Parks Committee for review. He added that he was working with the District's General Manager to prepare play equipment recommendations for the ad hoc committee.

Mr. Edmonson then updated the Board on the status of the Woodlands Park irrigation system. He stated that his office had met with TexaScapes to observe the water operation of the upper soccer field. He continued that overall coverage was provided by the irrigation system and that TexaScapes would address the issue of three irrigation heads that were not spinning at the desired rate. He also told the Board that Gray was working

with the vendor to verify the size of the casing pipe for the District's intake pump for the irrigation system.

Next, Director Wretlind detailed with the Board the status of the District's investments. He reviewed the income to the District and summarized the activity in the District's accounts.

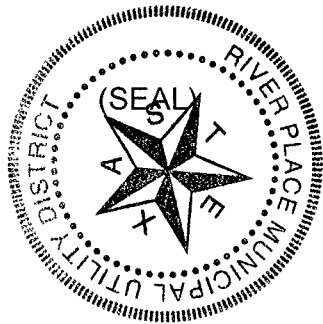
Director Jistel then requested that ST remove the post located across from Narrow Ridge in the District, and Ms. Rybachek confirmed that the post would be removed.

Director Jistel then presented two proposals from TexaScapes for renovation of the irrigation systems at the pavilion and the large sports field at Woodland Park for a total cost to the District of \$12,039.30. After review, upon a motion duly made by Director Jistel and seconded by Director Tobias, the Board voted unanimously to approve the upgrades to the irrigation system at the Woodlands Park as discussed. Copies of the proposals are attached to and shall be considered exhibits to these minutes.

There being nothing further to come before the Board, the Board scheduled its next meeting for September 29, 2016, and the meeting was adjourned.



Secretary, River Place MUD
Board of Directors



River Place Municipal Utility District
Attachments
August 22, 2016

1. Board packet;
2. Order Re-establishing Park Rules; and
3. Irrigation System proposals from TexaScapes.