

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

January 24, 2017

The Board of Directors of the River Place Municipal Utility District of Travis County, Texas met in **regular** session, open to the public on January 24, 2017, 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 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; Stan Johnson, a resident of the District and chair of the River Place Residential Community Association's (the "HOA") Firewise Committee; Jimmy Romell of Maxwell, Locke & Ritter, LLP, ("Maxwell"), the District's Auditor; 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 of the District who wished to address the Board.

The first item of business was approval of the monthly consent agenda containing the minutes of the December 20, 2016, regular meeting and payment of bills and expenses. After review and upon a motion duly made by Director Jistel and seconded by Director Crosby, the Board voted unanimously to approve the Consent Agenda as presented.

Mr. Romell then submitted the draft of the audit report for the District for the fiscal year ended September 30, 2016. He reviewed the Statement of Net Position and Revenues and Expenses, Expenditures, and Changes in Fund Balances. Mr. Romell reviewed the supporting data included in the audit report, including information required by the Texas Commission on Environmental Quality (the "Commission"). He reviewed the Long-Term Debt for the District, and he pointed out that the District's obligation for debt service payments for the District's bonds were scheduled to end in 2018. After a question from the Board, Director Wretlind responded that the District's debt service for

the years after the District is annexed by the City of Austin (the "City") would be paid by the City.

Mr. Romell then noted that the District had changed accounting policies related to fair value measurements by adopting Governmental Accounting Standards Board ("GASB") Statement No. 72. However, he continued that GASB Statement No. 72 did not have a significant impact on the District's financial statements for the fiscal year ended September 30, 2016.

Mr. Romell then called the Board's attention to the form of the Management Representation Letter from the District's Bookkeeper, attached to Maxwell's Governance Letter. He reported that Maxwell was issuing an unmodified opinion, which was the highest opinion the District can receive.

After consideration, upon a motion duly made by Director Wretlind and seconded by Director Tobias, the Board voted unanimously to approve the audit report and to authorize the District's Attorney to file the audit report with the Commission, in the District's office, and with all other governmental agencies as required. A copy of the audit report, thus approved, is filed in the permanent records of the District.

Next, Mr. Haag reminded the Board that Senate Bill 1812 [passed during the 84th Texas Legislative Session] requires any entity with eminent domain authority to log on to the Comptroller's website annually to report specific information to the Comptroller for posting. Mr. Haag continued that the District is required to submit this information by February 1 of each year and that failure to comply with these requirements may result in a penalty of \$1,000 for each notification from the Comptroller and would result in the entity being listed on a list of non-complying entity. He pointed out that failure to comply would not affect the District's authority to exercise its eminent domain authority. After a brief discussion, the Board directed the District's Attorney to submit the District's annual eminent domain report to the Comptroller, as required.

Next, the Board considered the need to conduct the annual review of the District's Investment Policy and Investment Strategies pursuant to the requirements of the Texas Public Funds Investment Act. Mr. Haag summarized the requirement for the annual review of the Investment Policy and Investment Strategies. He said that the District's Investment Policy and Investment Strategies were fairly general but very conservative and complied with the requirements of the Texas Public Funds Investment Act. Ms. McCalla noted that the Investment Policy listed the District's General Manager, Bookkeeper, and Director Wretlind as the District's investment officers. Director Wretlind stated that he was not recommending any changes to the Investment Policy at this time. The Board also reviewed the updated list of brokers authorized to handle investments of the District. After further review, the Board decided that no changes were required in the District's Investment Policy and Investment Strategies at this time. Therefore, upon a motion duly made by Director Wretlind and seconded by Director Jistel, the Board voted unanimously to adopt the RESOLUTION EVIDENCING REVIEW

OF INVESTMENT POLICY AND INVESTMENT STRATEGIES (the "Investment Resolution"). A copy of the Investment Resolution thus approved is attached hereto and shall be considered to be a part of these minutes.

Director Crosby next reported that the HOA had hired Roger Borgelt of Borgelt Law to lobby for an amendment to legislation that will allow communities subject to annexation the right to vote on whether or not to be annexed. He added that the amendment, if approved, would also allow any entity currently under a strategic partnership agreement the right to vote to not be annexed.

The Board then discussed the posting of private announcements by residents on District property. Director Reilly stated that he had received a request from a homeowner who wanted to place a "Happy Birthday" sign in Sun Tree Park. A lengthy discussion ensued. After questions from the Board, Mr. Haag responded that it was within the authority of the Board to restrict activities within the District's parks. No action was taken on this matter.

Next, Director Reilly reported that there had recently been some issues regarding the automatically locking doors at the District's restrooms. He noted that, at times, cleaning crews had difficulty accessing the restrooms. Mr. Edmonson suggested a keyless entry with access provided to vendors on an "as needed" basis. He added that the keyless entry should work smoothly with the District's current automatic system. Ms. Rybachek stated that she would research the costs of a keyless entry system and report her findings to the Board.

Director Crosby next updated the Board on the status of the installation of crosswalks with flashing lights on Big View Drive at the Woodlands Park in the District. He stated that Travis County had responded that although they would not install flashing lights, they would install a pedestrian crossing sign at the location. The Board agreed to continue to monitor the situation.

The Board then discussed the issue of including the area adjacent to the District that is included within the HOA boundaries, but not within the District's boundaries (the "Property") once the District became a Limited District. No action was taken on this item.

Next, Mr. Johnson updated the Board on the status of the District's participation in the removal of underbrush and other potential fire hazards in the area located behind four homes on China Garden Drive in the District (the "China Garden Project"). Director Wretlind recalled that the Board had agreed to contribute \$5,000 towards the mitigation of fire hazards on District property in the area located behind China Garden Drive in the District contingent upon the participation of the four homeowners adjacent to the area. Mr. Johnson reported that he had spoken with the four homeowners and that fire assessments were completed on three of the four homes to date. He stated that he had not received commitments from all homeowners to complete the work determined

necessary by the assessment. He continued that he was confident that all homeowners would comply, although not on the timetable that was originally approved by the Board. After discussion, the Board agreed to continue the District's participation in the China Garden Project in spite of the homeowners' delay in complying with the District's terms and with the understanding that if all homeowners do not fully participate as originally discussed, then the Board would be unwilling to contribute funds to Fire Wise projects in the future.

Next, Ms. Rybachek presented the General Manager's report in its entirety and as contained in the Directors' packets. Ms. Rybachek stated that copper pipes in the restroom at the Woodlands Park had frozen and burst during the recent cold spell. She stated that repairs were completed at a cost to the District of \$700.00. She reported that she had obtained a proposal of \$975.00 to install a bleed-off valve in order to drain the lines prior to freezes. After discussion, the Board agreed that the installation of a bleed-off valve was in the best interest of the District at this time.

Continuing her report, Ms. Rybachek detailed the status of the installation of play equipment at Sun Tree Park (the "Park Project"). She noted that signs and flyers had been posted throughout the park detailing the new park equipment installation time line and the expected length of time the park would be closed.

Mr. Edmonson then presented the Engineer's Report, as included in the Board Packet. He updated the Board on the installation of a 6-inch casing pipe and the re-piping of the irrigation suction line at the irrigation pump at the Woodlands Park by Westar Construction ("Westar"). He stated that Westar had notified his office that they would have a crew onsite in January and that the work is estimated to be complete by the middle of February.

Next, Mr. Edmonson reported that Westar, the contractor hired to replace a portion of the existing asphalt parking lot and concrete sidewalks Sun Tree Park (the "Parking Lot Project"), completed the removal and replacement of the sidewalk and relocation of one handicap accessible parking space along with the construction of two handicap parking spaces and had delayed the parking lot seal coating and restriping on the parking lot until the completion of the Park Project.

He continued that a Notice of Award was issued to Fun Abounds, Inc., ("Fun Abounds") on December 21, 2016, for the Park Project, subject to final review of the bonds and insurance by the District's Attorney. Mr. Edmonson stated that the documents were received back from Fun Abounds on January 17, 2017, as well as final approval from the District's Attorney's office. He reported that the contract would be executed by Director Reilly at the close of the meeting, and that the Park Project should begin in the near future.

Mr. Edmonson then updated the Board on the status the Woodlands Park slope stabilization project. He recalled that the Board had approved a proposal from

Environmental Survey Consulting to place vegetation along the shoreline of Lake Austin to prevent future erosion of the Woodlands Park shoreline. He stated that work would begin after the Lower Colorado River Authority has refilled Lake Austin to its normal water level.

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. He stated that the District the budget was tracking as expected.

The Board then discussed an e-mail from a resident of the District commenting on the condition of the District's parks and nature trails. Director Reilly opined that the District's parks were not considered manicured parks but natural parks that focus on the conservation and maintenance of flora, fauna, and natural terrain. After discussion, the Board authorized Director Jistel to reach out to the resident to discuss a possible resolution of the issues.

There being nothing further to come before the Board, the Board scheduled its next meeting for February 28, 2017, and the meeting was adjourned




Secretary, River Place MUD
Board of Directors