

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

September 26, 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 September 26, 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., the District's Engineer; and Phil Haag and Suzanne McCalla of McGinnis Lochridge ("McGinnis"), the District's Attorney. Also in attendance were several members of the public. A copy of the sign-in sheet for those in attendance at the meeting is attached hereto.

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

The first item of business before the Board was approval of the monthly consent agenda containing the minutes of the August 22, 2017, regular meeting, and payment of bills and expenses. After review and upon a motion duly made by Director Wretlind and seconded by Director Jistel, the Board voted unanimously to approve the Consent Agenda, including the minutes of the August 22, 2017, regular meeting, as written.

The next item of business before the Board was consideration of the District's draft budget for the fiscal year ending September 30, 2018. Director Wretlind presented a power point presentation detailing the proposed budget for the 9.5 months beginning December 16, 2017 and ending September 30, 2018. After discussion, upon a motion duly made by Director Jistel and seconded by Director Tobias, the Board voted unanimously to approve the budget for the fiscal year ending September 30, 2018, as presented. A copy of the budget, thus approved, is attached hereto and shall be considered an exhibit to these minutes.

Director Reilly then convened the public hearing for consideration of the 2017 tax rate for the District. Ms. McCalla confirmed that the Notice of Public Hearing on Tax Rate was published in the Austin American Statesman, as required. Director Reilly observed that there were persons present who wished to address the Board concerning the tax rate. One resident in attendance questioned the Board about the proposed tax rate, stating that it was his understanding that the District would not be imposing a 2017 tax rate. Director Reilly clarified that the City of Austin (the "City") would not impose a City tax rate on District residents for the 2018 tax year but that the City would begin assessing City taxes on District residents beginning with the 2019 tax year. He continued that the District had no control over the City's tax rates or the City's water and wastewater rates charges to the residents of the District. Director Reilly then pointed out that the District's 2017 tax rate of \$0.075 per \$100 of assessed valuation was a significant reduction from the District's 2016 tax rate of \$0.2070 per \$100 of assessed valuation. Director Reilly further explained that if the voters of the District approved the Limited District in May 2018, the Limited District and not the City would own and maintain the District's parks and nature trails as well as provide for solid waste collection throughout the District. Director Reilly emphasized that if the Limited District was not approved, the City's charges to provide solid waste collection services to District residents would be higher than the combined amounts that would be charged by the Limited District for solid waste collection and taxes. Director Crosby then voiced his concern that if the Limited District was not approved by District voters at the confirmation election in May 2017, then the City would assume all the District's assets, including the monies in the Park Fund and General Operating Fund, which monies would include any taxes collected by residents for the 2017 tax year. A lengthy discussion ensued regarding possible tax rate scenarios. After additional discussion, Director Reilly closed the public hearing. Director Wretlind made a motion to: (1) approve a maintenance and operations tax rate of \$0.0750 per \$100 of assessed valuation; (2) approve a debt service tax rate of \$0.000 per \$100 of assessed valuation for an overall tax rate of \$0.0750 per \$100 of assessed valuation; and (3) adopt the ORDER LEVYING TAXES. The motion passed with Directors Tobias, Wretlind, Reilly, and Jistel voting in favor, and Director Crosby voting against the motion. A copy of the Order Levying Taxes is attached hereto and shall be considered to be a part of these minutes.

Ms. McCalla then explained that the Board needed to adopt an Amendment to the District's Information Form whenever any information in the Information Form was changed, including the annual setting of the District's tax rate. She explained that the amendment would be filed with the Texas Commission on Environmental Quality, in the Official Public Records of Travis County, and in the offices of McGinnis Lochridge. After review, upon a motion duly made by Director Jistel and seconded by Director Crosby, the Board voted unanimously to approve Amendment No. 34 to the District's Information Form and to authorize filing of same as outlined. A copy of Amendment No. 34, thus approved, is attached hereto, and shall be considered to be a part of these minutes

Director Reilly next reported that Section 16 in the District had contacted Travis County (the "County") regarding the installation of a gate across Big View Road and requesting that Travis County allow the road behind the gate to become a private road and the responsibility of Section 16. Director Reilly reviewed with the Board the proposed location of the gate, which proposed location was across the section of Big View Drive adjacent to the Woodlands Park tennis courts. He stated that the currently proposed location would not allow District residents to access the District's park located in Panther Hollow. Director Reilly stated that installation of a gate enclosing Section 16 should not be a problem but that the currently proposed location was not acceptable. After discussion, upon a motion duly made by Director Reilly and seconded by Director Jistel the Board directed the District's Attorney to send a letter to County Commissioner Brigid Shea explaining that the Board was not opposed to the Section 16 gate but was opposed to the proposed location of the gate.

The Board then discussed the issue of annexing the area adjacent to the District that is included within the River Place Residential Community Association (the "HOA") boundaries, but not within the District's boundaries (the "Property"). Mr. Haag explained that a law passed during the recent legislative session changed the annexation requirements for a district. He explained that annexing land into the District would now require that the District: (1) obtain a separate petition from each homeowner within the Property agreeing to the annexation of their property into the District; or (2) obtain a petition signed by a majority in value of the owners within the Property agreeing to the annexation of their property into the District. Mr. Haag continued that with the second option, the District would be required to hold an election within the District on the question of whether the Property would assume the bonds, notes, taxes or other obligations of the District. Director Wretlind suggested that an Annexation Committee be formed to determine if an interest to be annexed exists among the residents of the proposed area, and the Board concurred.

The Board next considered the landfill disposal rate change to the District's solid waste contract (the "Solid Waste Contract") with Waste Connections, Inc., ("Waste Connections"). Director Reilly recalled that Waste Connections was requesting an adjustment to the Solid Waste Contract based on three factors: the consumer price index ("CPI"), the cost of fuel, and landfill costs. He reminded the Board that Waste Connections had provided backup documentation to show that fuel costs had decreased and that the CPI had increased, but did not provide adequate backup documentation to support the increase in landfill costs. He continued that the Board had authorized McGinnis Lochridge to engage the District's Auditor, Maxwell Locke & Ritter, LLP, ("Maxwell"), to complete an agreed-upon procedures report on the amounts owed to Waste Connections for the landfill component of the rate adjustment (the "AUP Report"). Director Reilly stated that Maxwell had completed the AUP Report and determined that Waste Connections' increase in landfill costs was justified. After a brief discussion, upon a motion duly made by Director Wretlind and seconded by Director Crosby, the Board voted unanimously to approve the Solid Waste Contract with Waste

Connections, including the increase in landfill costs. A copy of the AUP Report is attached to these minutes and shall be considered an attachment.

The Board next considered the status of the irrigation well in Sun Tree Park. Director Reilly stated that the test well did not detect enough potable water or water of an acceptable quality to justify drilling a well. He explained that the project would be abandoned and the hole would be plugged. No additional action was taken on this item.

Director Crosby then updated the Board on the activities of the ad hoc committee formed to resolve traffic issues at the District's trailheads (the "Committee"). He stated that the Committee had met and approved a proposal to be submitted to the Board for consideration. Director Crosby then reviewed with the Board a PowerPoint presentation on the Committee's proposal. Director Wretlind questioned if the proposal adequately addressed the traffic issues at the District's trailheads, after which a lengthy discussion ensued. Director Crosby motioned that the proposal be approved subject to obtaining bids for the costs of the project. The motion died for lack of a second. Director Crosby tendered his resignation from the Committee. No additional action was taken on this matter. A copy of the proposal, thus presented, is attached hereto as an exhibit to these minutes.

Ms. Rybachek next presented the General Manager's report in its entirety and as included in the Directors' packets. Ms. Rybachek stated that that You've Got IT Made ("YGM") had completed the repair and painting of the wooden railings, rocking chairs, and bulletin boards at the boardwalk and at the pavilion at the Woodlands Park. She then presented two proposals for the repair and painting of the gazebo at Sun Tree Park, copies of which are attached to these minutes. After review, upon a motion duly made by Director Jistel and seconded by Director Tobias, the Board voted unanimously to approve the proposal of \$3,500.00 submitted by YGM to repair and paint the gazebo at Sun Tree Park.

Next, Ms. Rybachek presented a work order from Christianson Plumbers to install new urinals in the men's restrooms at the Woodlands Park at a total cost to the District of \$3,668.00. She added that the work order included the cost of installation. A copy of the work order is included in the Directors' Packet, a copy of which is attached hereto.

Continuing her report, Ms. Rybachek presented a proposal from M&C Electric, Inc. ("M&C"), to install a new locking timer in the restrooms at both of the District's parks. After a question from the Board, Ms. Rybachek confirmed that the proposal price of \$2,450.00 was the cost per unit, with one unit to be installed at each park, for a total cost to the District of \$4,900.00. After discussion, upon a motion duly made by Director Wretlind and seconded by Director Tobias, the Board voted unanimously to approve the proposal from M&C, as presented. A copy of the proposal from M&C is included in the Directors' Packet.

Director Reilly then noted that a sign was posted at the District's tennis courts listing the tennis court rules. He stated that the posted rules were not consistent with the District's Park Rules, specifically the section on tennis courts, and he suggested that the issue be included on the District's next agenda for discussion, and the Board concurred.

Next, Ms. Rybachek distributed for the Board's review a flyer on the District's "Clean Up Event" scheduled for October 7, 2017. She explained that Waste Connections had agreed to drop off a dumpster at 8:00 a.m. on October 7, 2017, and pick up the dumpster at 2:00 p.m. on the same date. A copy of the flyer is attached hereto and shall be considered a part of these minutes.

Ms. Rybachek next pointed out the Woodlands Irrigation Consumption report included in the Directors' Packet. She stated that measurement of the water diverted from Lake Austin for irrigation of the Woodlands Park was required under the District's contract with the Lower Colorado River Authority.

Mr. Edmonson then presented the Engineer's Report. He first updated the Board on status of the recent pressure issues with the irrigation system at the Woodlands Park. He stated that he had met with Joe Bartley of "The Gardeners," regarding the issue. Mr. Edmonson stated that Mr. Bartley suggested that installation of a three-phase motor in place of the current single-phase motor would likely resolve the issue. Mr. Edmonson then presented a proposal from The Gardeners for \$21,360.00 to install a three-phase motor and all associated appurtenances. He explained that the proposal included the installation of a reduced pressure zone (RPZ) valve, pressure tank, purple piping, and obtaining any permits required by the City. After a brief discussion, the Board agreed to defer action on this item until the spring. A copy of the proposal from "The Gardeners" is attached to these minutes as an exhibit.

The next item of business before the Board was discussion of general landscaping services for the District. Director Reilly noted that the District's contract with TexaScapes, the District's landscaper, would expire at the end of December 2017. He suggested that the District obtain proposals from other vendors to compare prices, and the Board agreed. After additional discussion, upon a motion duly made by Director Wretlind and seconded by Director Tobias, the Board voted unanimously to authorize Gray Engineering to: (1) work with Directors Reilly and Jistel to prepare Requests for Proposals; and (2) solicit bids for general landscaping work for the District.

Next, Mr. Haag reported on bills passed during the recent Legislative Session. He noted that H.B. 89 passed during the regular Legislative Session, contained provisions requiring governmental entities to do business, including contracts and investments, only with companies that do not boycott Israel. He continued that under H.B. 89, a governmental entity [defined as a political subdivision of the State of Texas under Government Code, Section 2251.001] may not enter into a contracts with a company for goods or services unless the contract contains a written verification from

the company that it does not boycott Israel and will not boycott Israel during the term of the contract. He then reviewed with the Board a copy of the Prohibition on Boycotting Israel Verification to be executed by contractors doing business with the District. A copy of the verification form is attached to these minutes and shall be considered an exhibit.

Director Wretlind next discussed with the Board the status of the District's investments. He reviewed the income for the District and summarized the activity in each of the District's accounts. He stated that the District remained under budget for the year to date and was in good shape overall. Mr. Luft noted that subsequent to annexation of the District by the City, \$16,000 would remain in the District's Debt Service Fund. Mr. Haag stated that the District would need to submit an application to the Texas Commission on Environmental Quality prior to use of the surplus bond funds.

There being nothing further to come before the Board, the Board scheduled its next meeting for October 24, 2017, and the meeting was adjourned

Secretary, River Place MUD
Board of Directors

(SEAL)

River Place Municipal Utility District
Attachments
September 26, 2017

1. Directors Packet;
2. Budget for the fiscal year ending September 30, 2018;
3. Order Levying Taxes;
4. Amendment No. 34 to the District Information Form;
5. Agreed Upon Procedures Report from Auditor;
6. Committee presentation on possible resolution of traffic issues;
7. Proposals for the repair and painting of the gazebo;
8. Clean Up Event flyer;
9. Irrigation proposal from "The Gardeners"; and
10. Prohibition on Boycotting Israel Verification Form.