

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

January 26, 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 January 26, 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
Kenneth Bartlett	Vice President
Arthur Jistel	Secretary
Lee Wretlind	Treasurer
Claudia Tobias	Assistant Secretary/Treasurer

and all Directors were present, thus constituting a quorum.

Also present were Patricia Rybachek of Severn Trent Environmental Services ("Severn Trent"), the District's General Manager; Herb Edmonson, P.E., of Gray Engineering, Inc. ("Gray"), the District's Engineer; Bonnie Allison of Maxwell, Locke & Ritter, LLP, ("Maxwell"), the District's Auditor; and Phil Haag and Suzanne McCalla of McGinnis Lochridge, the District's Attorney.

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

The next item of business was approval of the monthly consent agenda containing the minutes of the December 22, 2015, 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.

Ms. Allison then submitted the draft of the audit report for the District for the fiscal year ended September 30, 2015. She reviewed the Statement of Net Position and Revenues and Expenses, Expenditures, and Changes in Fund Balances. Ms. Allison reviewed the supporting data included in the audit report, including information required by the Texas Commission on Environmental Quality (the "Commission"). She reviewed the Long-Term Debt for the District, and she pointed out that the District's debt service payments for the District's bonds were scheduled to end in 2018. Director Wretlind stated 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. Director Wretlind also explained the District would continue to maintain a Park Fund, which fund would be for the maintenance of the trails, parks, and open spaces in the District. Director Wretlind continued that in addition to the Park Fund, the District will reinstate the Operating

Fund. The Board agreed to consider a budget amendment at the February 2016 Board of Directors meeting to discuss the issue.

Ms. Allison then called the Board's attention to the form of the Management Representation Letter from the District, attached to Maxwell's Governance Letter. She 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 Letter of Representations is attached hereto and shall be considered to be a part of these minutes. 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 had also passed during the 84th Texas Legislative Session. He explained that it was a transparency bill that requires the Comptroller of Public Accounts (the "Comptroller") to create an online eminent domain database. He continued that any entity with eminent domain authority was now required to log on to the Comptroller's website annually to report specific information to the Comptroller for posting. Mr. Haag stated that information required to be submitted by the District for posting on the Comptroller's website includes the name, address, and public contact information for the District; the name and contact information for the person representing District; the provision of law that grants the District eminent domain authority; the focus or scope of the authority; the earliest date on which the District had eminent domain authority; the District's tax identification number, and whether the District has exercised its eminent domain authority in the preceding calendar year. Mr. Haag informed the Board that the District would be 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 will result in the entity being listed on a list of non-complying entities. He pointed out that failure to comply would not affect the District's authority to exercise its eminent domain authority. After a brief discussion, upon a motion duly made by Director Wretlind and seconded by Director Jistel, the Board voted unanimously to authorize the District's Attorney to submit the District's annual eminent domain report to the Comptroller, as required. A copy of the Report, thus submitted to the Comptroller, is attached hereto as an exhibit.

The next item of business before the Board was the consideration of the RESOLUTION AMENDING STATEMENT OF POLICIES ON ETHICS, TRAVEL, FINANCIAL AND MANAGEMENT PRACTICES OF RIVER PLACE MUNICIPAL UTILITY DISTRICT. Mr. Haag explained that the Resolution amended the District's Statement of Policies to account for recent legislative changes by the 84th Texas Legislature. After discussion and a motion duly made by Director Jistel and seconded

by Director Bartlett, the Board voted unanimously to approve the Resolution amending the District's Statement of Policies as discussed above. A copy of the Resolution is attached hereto as an exhibit to these minutes.

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 former Director Jim Casey as an investment officer and that the policy should be revised to include the current Investment Officers for the District. She reminded the Board that pursuant to Section 49.1571(b) of the Texas Water Code, any person appointed as the Investment Officer for the District was required to attend an initial training session of at least six hours and additional investment training of at least four hours within each two-year period thereafter. After review and discussion, the Board agreed to appoint Director Wretlind, Ms. Rybachek, and Lisa Atkins of Severn Trent as Investment Officers of the District. 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 Bartlett and seconded by Director Wretlind, 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.

The Board next discussed new Open Carry legislation passed during the 84th Legislative Session. Mr. Haag explained that House Bill 910 authorized Texans who either have a concealed handgun license ("CHL") or desire to obtain a CHL to openly carry their handgun in a shoulder or belt holster. He continued that the law took effect on January 1, 2016, and allows CHL holders to openly carry a holstered handgun in all the places that a CHL holder is currently authorized to carry. Mr. Haag stated that if a CHL holder is given written notice pursuant to Texas Penal Code Section 30.06 and 30.07, the CHL holder can be prohibited from carrying a handgun into a District meeting. Mr. Haag further explained that in order to prohibit a CHL holder from carrying a handgun into a District Board meeting, the District would be required to post two separate signs at each meeting of the District, one sign prohibiting the concealed carry of a handgun, and the second sign prohibiting the open carry of a handgun. He noted that the Penal Code also requires that the signs be posted in English and in Spanish and to conform to specific language and printing requirements detailed in the Penal Code. After discussion, upon a motion duly made by Director Jistel and seconded by Director Tobias, the Board voted unanimously not to post signs restricting the carry of handguns at the District's meetings.

Next, the Board reviewed the questions to be included in a survey sent out to the District's residents. Ms. Rybachek outlined options available to the Board for the distribution of the survey information. She noted that a website link to the survey could be posted on the Homeowners' Association's website and postcards could be sent to District residents informing them about the survey and where to go to take the survey.

The Board next discussed the landscape maintenance around the District's lift stations (the "Property"). Director Jistel stated that he and Director Tobias had toured all the lift stations throughout the District and that only the Scull Creek Lift Station required landscape maintenance. Director Tobias noted that her landscaper had submitted a proposal for the maintenance of the Property, but that his was the only proposal received. Director Tobias also stated that four red tip shrubs around the Scull Creek lift station needed to be removed, and she questioned if the shrubs should be replaced. Ms. Rybachek stated that she would obtain a proposal for removal of the shrubs from Capital Landcare. She pointed out that replacement of the shrubs would require that the new plantings be watered on a regular basis in the beginning to ensure that the shrubs did not die.

Director Reilly then reported that he would be meeting with Scott Crosby, President of the River Place Homeowners' Association (the "HOA"), regarding the status of the distribution of funds received by the HOA as a result of the water rate case against the City. He added that he should have a report at the District's next Board of Directors meeting.

Next, the Board discussed the provisions in the Strategic Partnership Agreement ("SPA") between the City and the District regarding the District's 323 acres of Parkland. Director Reilly explained that a meeting had been held among himself, Director Wretlind, and Mr. Haag to discuss the issue. He stated that they originally discussed asking the City to allow the District to own and maintain the trail, but have now agreed to request that the City provide the District with an easement containing the upper trail and allowing for the District to access and maintain the trail.

Mr. Haag updated the Board on the City's future plans for the existing water and wastewater plants in the District. He reported that he had sent a letter to the City regarding their plans as requested, a copy of which is attached hereto. Mr. Haag stated that Bart Jennings, a representative for the City, had responded that the City had no immediate plans to discontinue using the water plant located in the District. He added that Mr. Jennings had also stated that the City would construct the water line connecting the District to the City's water system, but that the valve would remain closed.

Next, Mr. Edmonson reported on the drainage issue at 10809 Range View in the District (the "Repair"). He stated that Kuts & Kleans, the contractor for the Repair, had cleared the blockage in the storm sewer and repaired the existing pipe. He stated that the Repair required an additional four days to complete, resulting in an increase of \$3,200.00 over the original proposed price of \$10,150.49. He noted that the

Management Committee had approved the increased amount. After discussion, upon a motion duly made by Director Jistel and seconded by Director Wretlind, the Board voted unanimously to approve payment of the invoice from Kuts & Kleans in the total amount of \$13,350.49, as submitted. A copy of the invoice is attached hereto as an exhibit to these minutes.

Next, the Board received reports from District consultants. The Consultant Reports are included in the Board Packet, a copy of which is attached hereto as an exhibit to these minutes.

General Manager – Ms. Rybachek presented the General Manager's report in its entirety. She pointed out that "Towing Enforced" signs had been posted at Panther Hollow in two places, and she distributed photographs of the signs for the Board's review. Copies of the photographs are attached to these minutes and shall be considered exhibits.

Continuing her report, Ms. Rybachek stated that the Spring Newsletter was in progress, and that articles and information to be included in the Newsletter should be submitted to her office.

She then reviewed various maintenance and operations performed throughout the District during the month of January.

Engineer – Mr. Edmonson stated that he had nothing additional to report.

Attorney – Mr. Haag reminded the Board that House Bill 1295, 84th Texas Legislative Session ("HB 1295"), became effective September 1, 2015, and applies to a contract of a governmental entity entered into after December 31, 2015, that either requires an action by the Board or has a value of at least \$1,000,000. He stated that his office was in the process of drafting an order to delegate certain authority to the District's General Manager for consideration by the Board. He added that officially delegating the items that the General Manager performs will help alleviate the need for certain vendors to complete and submit a Certificate of Interested Parties form.

Next, Mr. Haag distributed an ORDER CALLING DIRECTORS ELECTION (the "Election Order") for May 7, 2016 (the "Directors Election"). Mr. Haag explained that the Board was required to adopt the Election Order prior to February 19, 2016 pursuant to the requirements of the Texas Election Code, as amended. Mr. Haag then told the Board that the deadline for submission of an application for a position on the District's ballot was also 5:00 p.m. on February 19, 2016. Ms. McCalla noted that the District had received two applications for a position on the District's ballot to date. After review, upon a motion duly made by Director Tobias and seconded by Director Wretlind, the Board voted unanimously to adopt the Election Order, subject to any revisions to the polling locations made by Travis County. A copy of the Election Order is attached to these minutes as an exhibit.

Director Jistel next updated the Board on the status of the parks in the District. He reviewed photographs with the District of the work the Girl Scouts had completed on the District's Nature Trail, copies of which are attached hereto. .

The Board then continued their discussion from earlier in the meeting about the removal of the red tip shrubs at the Scull Creek lift station. After further discussion, upon a motion duly made by Director Jistel and seconded by Director Tobias, the Board voted unanimously to authorize the removal of the trees by Capital Landcare.

There being nothing further to come before the Board, the Board scheduled its next meeting for February 23, 2016, and the meeting was adjourned.




Secretary, River Place MUD
Board of Directors

THE RIVER PLACE MUNICIPAL UTILITY DISTRICT
January 26, 2016
Minutes Attachments

1. Governance Letter from District's Auditor along with the District's Letter of Representations;
2. Report of Eminent Domain submission for 2015;
3. Resolution amending Ethics Policy;
4. Resolution evidencing annual review of the District's Investment Policy;
5. Engineering Report and Kuts & Kleans, Inc., invoice for 10801 Range View Drive;
6. Letter from McGinnis Lochridge to the City regarding water service to the District;
7. Board Packet;
8. Photographs of "Towing Enforced" signs;
9. Order Calling the District's 2016 Directors Election; and
10. Photographs of the improvements to the District's trail by the Girl Scouts.

**RESOLUTION ADOPTING AMENDED DISTRICT BUDGET
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2016**

WHEREAS, the Board of Directors of River Place Municipal Utility District (the "District") may levy both maintenance and bond taxes for the calendar year 2016; and

WHEREAS, to provide a guideline for the Board of Directors of the District to follow in allocating and disbursing the receipts, revenues and other funds available or which may become available to the District in the District's fiscal year ending September 30, 2016, the Board of Directors of the District adopted a budget September 22, 2015;

WHEREAS, the Board of Directors now deems it advisable to amend its budget;
Now, Therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF RIVER PLACE MUNICIPAL UTILITY DISTRICT THAT:

The Amended Budget for the fiscal year of the District which ends September 30, 2016, attached hereto as Exhibit "A", is hereby approved and adopted.

PASSED AND APPROVED this 24th day of February, 2016.

/s/Patrick Reilly
President, Board of Directors
River Place Municipal Utility District

ATTEST:

/s/Art Jistel
Secretary, Board of Directors
River Place Municipal Utility District

