

MINUTES OF REGULAR MEETING
OF
SIENNA PLANTATION MUNICIPAL UTILITY DISTRICT NO. 2

June 21, 2010

The Board of Directors (the "Board") of Sienna Plantation Municipal Utility District No. 2 (the "District"), convened in regular session, open to the public, on May 17, 2010, outside the boundaries of the District, at the offices of SWWC Services, Inc., 12535 Reed Road, Sugar Land, Texas, and the roll was called of the members of the Board:

Mark Parsons	President
Brian Machart	Vice President
Jeff Farrar	Secretary
Michael Kroboth	Assistant Vice President
David N. Morrell, Jr.	Assistant Secretary

and all of the above were present, except Director Kroboth, thus constituting a quorum.

Also present at the meeting were the following: Brad Koehl of BIO Landscape and Maintenance, Inc. ("BIO"); Kim Saunders of Tax Tech, Inc.; Shirley McLennan of McLennan & Associates, L.P.; Michael Rusk of LJA Engineering & Surveying, Inc.; Chris Wilson of SWWC Services, Inc. ("SWWC"); and Richard Muller and Brenda Presser of Allen Boone Humphries Robinson LLP.

MINUTES

The Board reviewed the minutes of the meeting held May 17, 2010. After review and discussion, Director Machart moved to approve the minutes of the meeting held on May 17, 2010. Director Farrar seconded the motion, which carried by unanimous vote.

RECEIVE PUBLIC COMMENTS

No public comments were presented or received by the Board.

PRESENTATION FROM WCA WASTE CORPORATION REGARDING TRASH AND RECYCLING COLLECTION

Ms. Presser reported that WCA will be replacing the current 18-gallon recycle bin with a 48-gallon bin that will have a lid and wheels. She stated the cost to provide the larger bins will be provided at the current price of \$15.37 for the first year of a new two-year contract and rates will be adjusted pursuant to the Consumer Price Index thereafter. Ms. Presser stated that the initial offer provided for a new contract with a four-year term; however, she noted that the District previously entered into a Strategic Partnership Agreement with the City of Missouri City and the terms of the Agreement prevent the

District from entering into a 4-year contract. She also reported that the new carts will begin service on July 1, 2010. No action was taken by the Board at this time pending receipt of an amended contract with WCA for consideration.

ENGAGE COMPANY TO CONDUCT ARBITRAGE REBATE STUDY FOR SERIES 2004 BONDS

Mr. Muller requested the Board's authorization to engage the services of OmniCap, LLP to prepare an analysis to determine if a payment is due on the District's Series 2000A bonds. He stated that such analysis is performed every five years following the anniversary of the issuance of the bonds. Mr. Muller also said that if a payment is due to the Internal Revenue Service, the funds are due sixty (60) days after the fifth anniversary of the issuance of the respective series of bonds. He then discussed requested authorization to negotiate a proposal with OmniCap to prepare an arbitrage rebate analysis on all the District's outstanding issues on an annual basis without submitting an individual proposal for each issue. Following review and discussion, Director Morrell moved to approve the proposal from OmniCap, as presented and authorize OmniCap to prepare an arbitrage rebate analysis on the District's outstanding series of bonds and authorize ABHR to negotiate with OmniCap to prepare an arbitrage rebate analysis on all of the District's outstanding issues on an annual basis. Director Machart seconded the motion, which passed by unanimous vote.

ARBITRAGE REBATE STUDY FOR SERIES 2005 BONDS

Mr. Muller reported that OmniCap Group, LLC had been engaged to perform an arbitrage rebate study on the District's Series 2005 bonds, and the results of the analysis determined that no amounts are due to the IRS. A copy of the report is attached hereto. Following the discussion, Director Morrell moved to approve and accept the Arbitrage Rebate Study for the Series 2005 Bonds and direct that the report be filed appropriately and retained in the District's official records. Director Machart seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING PAYMENT OF BILLS AND REVIEW OF INVESTMENTS

Ms. McLennan reviewed the bookkeeper's report and the District's investment report, and presented checks for approval. After review and discussion, Director Farrar moved to: (1) approve the bookkeeper's report and investment report; (2) authorize payment of the bills as presented; and (3) direct that the reports be filed appropriately and retained in the District's official records. Director Machart seconded the motion, which carried by unanimous vote. A copy of the bookkeeper's report is attached.

DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS SUMMER CONFERENCE,
APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES AND AUTHORIZE
ATTENDANCE AT THE WINTER CONFERENCE

Following discussion of the Association of Water Board Directors ("AWBD") summer conference, the Board considered authorizing attendance at the Association of Water Board Directors winter conference. After discussion, Director Farrar moved that the Board approve reimbursement of eligible expenses of all Directors that attended the summer conference and authorize any interested Directors to attend the winter conference. Director Morrell seconded the motion, which passed unanimously.

RECEIVE, REVIEW AND ADOPT MASTER DISTRICT BUDGET

Mr. Muller stated that the Master District is required to present its budget to the District pursuant to the terms of the Contract for Financing, Operation and Maintenance of Regional Water, Sanitary Sewer and Storm Sewer Facilities between the District and the Master District. He noted that the budget is considered approved unless disapproved in writing by a two-thirds (2/3) majority of the Participants. Copies of the Master District's Operating and Surface Water budgets for 2011 were then distributed to the Directors. Ms. McLennan noted the Master District budget reflects that the connection fee will remain at \$41.00 in order to build a six-month operating reserve, and the District's pumpage fee will increase to \$1.54, effective October 1, 2010, in response to the City of Missouri City's notification of an increase to the Master District. Mr. Muller next discussed and reviewed additional structural changes in the Master District budget. He said that the Master District facilities are aging and the useful service life is becoming shorter, therefore, the Master District is preparing a renewal and replacement budget for funding of future repairs and/or replacement of those facilities that have maximized useful service life. The Board next discussed funding sources for the long term capital replacement fund for renewal and replacement of Master District facilities. Following discussion, Director Farrar moved to approve and accept the Master District budget as presented. Director Morrell seconded the motion, which passed by unanimous vote.

TAX ASSESSMENT AND COLLECTION MATTERS, INCLUDING DELINQUENT TAX
COLLECTIONS, INSTALLMENT AGREEMENTS, AND PAYMENT OF TAX BILLS

Ms. Saunders presented and reviewed the tax assessor/collector's report, a copy of which is attached. She stated that 97.39% of the District's 2009 tax levy had been collected as of today's meeting. Following review and discussion, Director Farrar moved to: (1) approve the tax assessor/collector's report; (2) direct that it be filed appropriately and retained in the District's official records; and (3) authorize payment of bills. Director Morrell seconded the motion, which carried by unanimous vote.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH THE COLLECTION OF DELINQUENT TAXES

Mr. Muller stated that delinquent tax accounts have been transmitted to the District's delinquent tax attorney and requested the Board's consideration to authorize the delinquent tax attorney to proceed with collection of delinquent taxes and noted that a 20% penalty is assessed as of July 1 on delinquent accounts, which subsidizes the costs of collection. Following discussion, Director Morrell moved to authorize the delinquent tax attorney to proceed with the collection of delinquent taxes. Director Machart seconded the motion, which passed unanimously.

REPORT FROM BIO

Mr. Koehl presented and reviewed the current Maintenance Report for maintenance and repairs of rehabilitated ditches (the "Maintenance Report"), which are not within the project scope for the Primary Collector Ditch and Unmaintainable Cul-de-Sac Piping Project. A copy of this report is attached.

The Board next discussed removal of construction debris such as stakes and exposed rebar left behind from recent construction related to the District's ditch rehabilitation programs.

Following discussion, Director Parsons moved to authorize repair at 3606 Hawkins Circle, as more fully described in the Maintenance Report and authorized BIO to pull stakes and remove any other construction debris that appears to present a safety hazard for a cost not to exceed \$700.00. Director Farrar seconded the motion, which was approved by unanimous vote.

ENGINEERING MATTERS

No engineering report or matters were presented to the Board.

OPERATION OF DISTRICT FACILITIES, BILLINGS, REPAIRS, AND MAINTENANCE

Mr. Wilson presented and reviewed the operator's report, a copy of which is attached. He stated there are 1,785 connections in the District and there are no regulatory issues for the month. Mr. Wilson stated that the Master District's water accountability for last month was 96.28%. He reported on maintenance and repair items performed within the District since the last meeting and the District backcharge list.

Mr. Wilson updated the Board on the correspondence from a district resident requesting that a fire hydrant be moved because the resident believed that the placement was in violation to City of Missouri City Code and Sienna Plantation deed restrictions. He confirmed that he prepared and transmitted an appropriate response to the resident of the Board's decision to take no action in moving the fire hydrant on behalf of the District.

Following discussion, Director Farrar moved to approve the operator's report, as presented. The motion was seconded by Director Machart, and carried by unanimous vote.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

Mr. Wilson presented a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment. Following discussion, Director Farrar moved to authorize the termination of delinquent accounts in accordance with the District's Rate Order. The motion was seconded by Director Machart and passed unanimously. A copy of the termination list is attached.

MASTER DISTRICT MATTERS

Mr. Muller reported there are no further updates to report at this time.

CONVENE IN EXECUTIVE SESSION PURSUANT TO CHAPTER 551.071(1)(A), TEXAS GOVERNMENT CODE, TO CONSULT WITH DISTRICT'S ATTORNEY REGARDING CONTEMPLATED LITIGATION

The Board did not convene in executive session.

RE-CONVENE IN OPEN SESSION AND AUTHORIZE ANY NECESSARY ACTION RESULTING FROM EXECUTIVE SESSION

The Board did not re-convene in open session.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.




Secretary, Board of Directors

ACTION ITEMS

1. ABHR to obtain a revised contract from OmniCap with an evergreen clause for ongoing preparation of the District's arbitrage rebate analyses on the outstanding bonds.
2. ABHR to transmit a report from Sienna Plantation Municipal Utility District No. 1 regarding the status of generator purchase/lease to the District's directors.
3. ABHR to transmit a link from Fort Bend County regarding information on conversion to surface water to educate District residents on the matter.
4. ABHR to provide information to the Board regarding requirements to be a delegate at the Association of Water Board Directors and add an item to the July agenda for such designation.

LIST OF ATTACHMENTS TO MINUTES

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