

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

December 21, 2009

THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

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 the 21st day of December, 2009, 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 Farrar, thus constituting a quorum.

Also present at the meeting were the following: Cynthia Kelsch of Klotz & Associates, Inc.; Brad Koehl of Texas Services, Ltd.; 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"); Curtis W. Paskey of Paskey Incorporated ("Paskey"); and Kerri J. Dorman and Susan Prospere of Allen Boone Humphries Robinson LLP.

MINUTES

The Board reviewed the minutes of the meeting held November 16, 2009. After review and discussion, Director Machart moved to approve the minutes of the meeting held November 16, 2009. Director Kroboth seconded the motion, which carried by unanimous vote.

RECEIVE PUBLIC COMMENTS

No public comments were received by the Board.

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 Kroboth moved to: (1) approve the bookkeeper's report and investment report; and (2) authorize payment of the bills as presented, excluding check no. 1238 to Paskey, and to direct that the reports be filed appropriately and retained in the District's official records. Director Morrell seconded the motion, which carried by unanimous vote. A copy of the bookkeeper's report is attached.

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. Following review and discussion, Director Morrell 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 Machart seconded the motion, which carried by unanimous vote.

REPORT FROM TEXAS SERVICES REGARDING DITCH MAINTENANCE PROGRAM

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 the report is attached.

Mr. Koehl recommended de-silting the upstream structures at the southeast corner of Griffin Lane and Steep Bank Trace and re-grading 30 feet of the ditch floor beyond the upstream structures at a total cost of \$243.50. After discussion, the Board decided to defer action on the recommendation until the weather is drier. Director Parsons requested that Texas Services, Ltd. continue to monitor the area to determine if conditions improve with better weather.

REPORT FROM PROFESSIONAL PROJECT MANAGEMENT SERVICES

There was no report from Professional Project Management Services.

ENGINEERING MATTERS

Ms. Kelsch reported on the status of the Primary Collector Ditch and Unmaintainable Cul-de-Sac Piping Project (the "Project") and issues associated with construction. She recommended approval of Paskey's Pay Estimate No. 4 and Final in

the amount of \$18,935.25, which represents the final amount due less \$2,500 (calculated as \$500/day x five days) for liquidated damages ("Damages"). Ms. Kelsch reported that Mr. Paskey had sent her a letter regarding the Damages, and copies were distributed to the Board (copy attached). Mr. Paskey discussed his letter, and explained to the Board that the project had increased from the original scope to include additional alternate items totaling approximately 33% of the original bid, as well as various change orders. He stated that, using a pro rata basis, the original 75 day time period should have been increased by 25 days to accommodate the changes, but that Paskey had completed the original and additional work in 77 days.

Directors Parsons and Machart reiterated the Board's ongoing concerns and repeated notices to Paskey regarding safety and cleaning issues encountered during the project. Mr. Paskey acknowledged that there had been such issues, but stated that he had not only responded to the Board's concerns but also had performed work outside the scope of contract scope at no cost to the District.

After further discussion, the Board agreed to defer additional discussion until Executive Session.

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 1,784 connections in the District and there are no regulatory issues for the month. He reported on maintenance and repair items performed within the District since the last meeting and the District backcharge list. He recommended the repair of four fire hydrants in the District.

Mr. Wilson reported that Mel Ward, a resident, had requested a review of his bills because they were showing high usage. He stated that, after investigation, SWWC found no leaks at the location and determined that the meter was registering accurately. The Board took no action.

Director Machart moved to approve the operator's report, as presented. The motion was seconded by Director Morrell, 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, the Board agreed to defer termination of service until its next regular meeting.

OPERATOR CONTRACT AMENDMENT FOR IDENTITY THEFT PREVENTION PROGRAM IMPLEMENTATION

Mr. Wilson reported that, pursuant to the Board's previous approval of an Identity Theft Prevention Program (the "Program"), additional services are being provided to the District for implementation of the Program. He then reviewed a Contract Amendment (copy attached) between the District and SWWC to revise fees to provide such additional services. Upon a motion made by Director Machart and seconded by Director Morrell, the Board voted unanimously to approve the Contract Amendment.

AMEND RATE ORDER TO INCREASE TRANSFER FEE

Mr. Wilson explained that a transfer fee is charged to new customers and recommended that the District amend its Rate Order to increase the transfer fee by \$5.00, to cover a portion of the additional costs to process new customers in compliance with the District's Identity Theft Program. After discussion, Director Machart moved to amend the Rate Order as discussed. The motion was seconded by Director Morrell and carried by unanimous vote.

REPORT ON MASTER DISTRICT MATTERS

There was no report on Master District matters.

CONVENE IN EXECUTIVE SESSION PURSUANT TO CHAPTER 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION

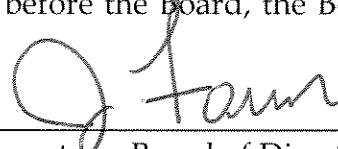
Director Morrell moved to convene in Executive Session pursuant to Chapter 551.071, Texas Government Code, at 12:48 p.m., to consult with the District's attorney on pending or contemplated litigation. Director Machart seconded the motion, which carried unanimously.

RE-CONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION

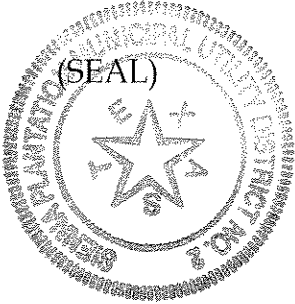
The Board reconvened in Open Session at 12:52 p.m. The Board considered approving Pay Estimate No. 4 and Final submitted by Paskey, revised to omit the deduction of the Damages, resulting in a final payment of \$21,435.25. After discussion, and based on the recommendation of Ms. Kelsch, Director Morrell moved to approve Pay Estimate No. 4 and Final in the amount of \$21,435.25, including approval of check

no. 1239 for said amount and voiding check no. 1238, which provided for a liquidated damages deduction. Director Machart seconded the motion, which carried unanimously. The Board questioned Ms. Kelsch regarding final acceptance of the project, but she said that action should be deferred to a subsequent meeting.

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



Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

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