

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

July 20, 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 20th day of July, 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 Directors Parsons and Kroboth, thus constituting a quorum.

Also present at the meeting were the following: Jan Bartholomew of RBC Capital Markets; Cynthia Kelsch of Klotz & Associates, Inc. ("Klotz"); 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"); Angie Lutz and Brenda Presser of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board first reviewed the minutes of the meeting held June 15, 2009. After review and discussion, Director Farrar moved to approve the minutes of the meeting held June 15, 2009. Director Morrell seconded the motion, which passed unanimously.

RECEIVE PUBLIC COMMENTS

Mr. Rusk reported on a conversation with a District resident regarding an email correspondence relating to extreme ponding events at the resident's home. Mr. Rusk reported that he reviewed the site along with the SWWC and noted the days both SWWC and LJA concurred that the standing water occurred following two heavy rain

events in April. Director Farrar discussed LJA's previous recommendation to add inlet extensions and confirmed that LJA made such recommendation. The Board also discussed the decision made at last month's meeting to monitor this residence for future events but to take no direct action at this time. The Board also discussed history of rain events and affects, specifically two rain events in April within one week.

DISTRICT REGISTRATION FORM AND CONFIDENTIALITY ELECTION FORM

Ms. Lutz reported on changes to legislation that allows for automatic redaction of personal information without requesting approval from the Attorney General. She noted that the District's Registration Form can be updated to remove personal information. Following discussion, the Board concurred that no changes are requested on the District's Registration Form.

ENGAGE COMPANY TO CONDUCT ARBITRAGE REBATE STUDY FOR SERIES 2004 BONDS

Ms. Lutz reviewed a proposal and 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 2004 bonds. She stated that such analysis begins on the fifth anniversary of the issuance of the bonds, which is August 25, 2009 for the Series 2004 bonds. Ms. Lutz 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 Bonds. Following review and discussion, Director Farrar moved to approve the proposal from OmniCap, LLP as presented and authorize them to prepare an arbitrage rebate analysis on the District's Series 2004 Bonds. Director Morrell seconded the motion, which passed by unanimous vote.

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

Ms. McLennan then reviewed the bookkeeper's report, 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 direct that the reports be filed appropriately and retained in the District's official records and 3) approve the special projects budget as presented. Director Morrell seconded the motion, which passed unanimously.

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 in Dallas. Director Machart noted that he

learned of another District that has recorded emergency information that is transmitted through a radio frequency to provide updates and procedures to residents. Director Morrell also discussed a presentation at AWBD relating to notification to residents via various communication media in an emergency event. 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.

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

The Board received the tax assessor/collector's report, a copy of which is attached. 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 passed unanimously.

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

Ms. Lutz 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 Farrar moved to authorize the delinquent tax attorney to proceed with the collection of delinquent taxes. Director Morrell seconded the motion, which passed unanimously.

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 which is attached. The Board next discussed one recommendation for repair on North Fitzgerald on the south side east of Oakland Court. Following discussion, Director Farrar moved to approve recommended repairs on North Fitzgerald (south side east of Oakland Court), as more fully described in the Maintenance Report. Director Morrell seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS

Ms. Kelsch reported that the Primary Collector Ditch and Unmaintainable Cul-de-Sac Piping Project (the "Project") is in its second week and reported on the order of construction. She also noted that there was an issue regarding inlet delivery and the Project appears to continue to be on schedule and budget. Director Morrell moved to accept the engineer's verbal report as discussed. Director Farrar seconded the motion, which passed by unanimous vote.

OPERATION OF DISTRICT FACILITIES, BILLINGS, REPAIRS AND MAINTENANCE

Mr. Wilson presented and discussed the operator's report, a copy of which is attached. He stated there are 1,784 connections in the District. He then reviewed the management report which describes maintenance and repair items performed within the District since the last meeting and the District backcharge list. Following discussion, Director Morrell moved to approve the operator's report, as presented. The motion was seconded by Director Farrar and passed unanimously.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

Mr. Wilson next presented a list of delinquent customers this month 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. He then reviewed an appeal from a District resident regarding late charges and re-connect fees related to a missed payment in February and requested the Board's consideration to waive such fees. Following discussion, Director Farrar moved to authorize the termination of delinquent accounts in accordance with the District's Rate Order and authorize the District's Operator to arrange for a payment plan with the resident filing an appeal related to late charges and re-connect fees from missed payment in February. The motion was seconded by Director Morrell and passed unanimously. A copy of the termination list is attached.

DISTRICT'S WEBSITE MAINTENANCE

The Board discussed updates on email to ensure receipt of resident correspondence went to the site and confirmed that all updated website addresses are correct with Synchronet.

RECEIVE REPORT ON LEGISLATION AFFECTING WATER DISTRICTS

A legislative summary was distributed to the Board and Ms. Lutz briefly reviewed key legislation affecting water districts.

REPORT FROM FINANCIAL ADVISOR ON REFUNDING BOND ISSUE, INCLUDING AUTHORIZE PREPARATION OF PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZE PURCHASE OF INSURANCE AND APPLICATION FOR RATING.

Ms. Bartholomew reviewed a summary of the sources and uses of funds and the refunding structure. Ms. Bartholomew next reviewed the Preliminary Official Statement for the District's Refunding Bonds, Series 2009 ("Series 2009 Bonds"). Following review and discussion, Director Morrell moved that the Board authorize preparation of the Preliminary Official Statement and designate RBC Capital Markets as underwriter, the Series 2009 Bonds. Director Farrar seconded the motion, which passed unanimously.

APPROVE PRELIMINARY OFFICIAL STATEMENT FOR DISTRICT'S UNLIMITED TAX REFUNDING BONDS, SERIES 2009.

Ms. Bartholomew reviewed the Preliminary Official Statement for the Series 2009 Bonds. After discussion, Director Morrell moved that the Board approve the Preliminary Official Statement for the Series 2009 Bonds, subject to final review from Directors and ABHR. Director Farrar seconded the motion, which passed unanimously.

ACCEPT RESIGNATION OF FINANCIAL ADVISOR AND DESIGNATE UNDERWRITER

The Board considered selecting underwriters to purchase the Series 2009 Bonds and Ms. Bartholomew stated that RBC Capital Markets ("RBC") will temporarily resign as financial advisor in order to serve as underwriter. She then recommended that the Board appoint RBC to serve as the underwriter. Following discussion, Director Morrell moved to designate RBC as underwriter for purchasing the Series 2009 Bonds. Director Farrar seconded the motion, which passed unanimously.

APPOINT PAYING AGENT/REGISTRAR AND ESCROW AGENT

The Board next considered appointing a paying agent/registrar and escrow agent for the Series 2009 Bonds. Ms. Lutz recommends that the Board select Wells Fargo, N.A. as the paying agent/registrar and Bank of New York Mellon Trust, N.A. as the escrow agent. Following discussion, Director Morrell moved to appoint Wells Fargo Bank of Texas, N.A. as the Paying Agent/Registrar and Bank of New York Mellon Trust, N.A. as the escrow agent. Director Farrar seconded the motion, which passed unanimously.

ADOPT RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S UNLIMITED TAX REFUNDING BONDS, SERIES 2009, AND AUTHORIZE THE BOARD OF DIRECTORS TO SIGN ALL DOCUMENTS RELATING TO THE SALE OF THE BONDS

The Board discussed the District's Series 2009 Bonds. Ms. Lutz reviewed a Resolution Authorizing the Issuance of the District's Refunding Bonds, Series 2009; Authorizing the Authorized Representative to Take Certain Actions on Behalf of the District; Authorizing the Redemption Prior to Maturity of Certain Outstanding Bonds; Authorizing the Refunding of Certain Outstanding Bonds and the Execution and Delivery of an Escrow Agreement and the Purchase of Certain Escrowed Securities; and Containing Other Matters Related Thereto (the "Bond Resolution"). She reviewed the Bond Resolution delegates authority to a Director to select the specific maturities or series of the District's outstanding bonds to be refunded and to affect the sale of the Series 2009 Bonds. After review and discussion, Director Morrell moved that the Board adopt the Bond Resolution as presented. Director Farrar seconded the motion, which carried unanimously.

AUTHORIZE THE DISTRICT'S ATTORNEY AND THE UNDERWRITER TO TAKE ALL NECESSARY ACTION IN CONNECTION WITH THE ISSUANCE OF THE DISTRICT'S UNLIMITED TAX REFUNDING BONDS, SERIES 2009

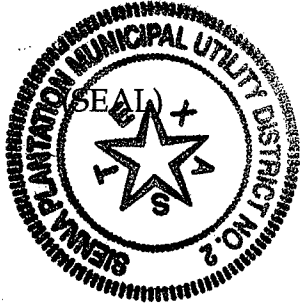
The Board next considered authorizing the Board of Directors to sign all the documents relating to the bond sale and to authorize the attorney and financial advisor to take all necessary action to deliver the bonds to the purchaser. After discussion, Director Morrell moved that the Board authorize the Board of Directors to sign the bond documents and authorize the attorney and financial advisor to take all necessary action to deliver the bonds to the purchaser. Director Farrar seconded the motion, which was approved unanimously.

DISCUSS AUGUST MEETING DATE

Mr. Morrell stated that he is unavailable to attend the regularly scheduled meeting next month and the Board discussed changing the meeting date. Following a discussion, it was determined that a quorum is available on the next regular meeting date of August 17, 2009 and the Board concurred to make no changes to the August meeting date.

Ms. Lutz reported to Board on discussions in the Master District relating to the purchase of temporary wastewater treatment plants. She noted that the Master District will be making a cash call to the District for its pro rata share of the total cost. Ms. Bartholomew reviewed the funding sources from the District's revenues. It was noted that it is anticipated that the first payment will be due in August.

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




Secretary, Board of Directors

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