

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

May 29, 2007

THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

The Board of Directors of Sienna Plantation Municipal Utility District No. 2 (the "District") met in special session, open to the public, on the 29th day of May, 2007, at a designated meeting place of the District, ECO Resources, Inc., 12535 Reed Road, Sugar Land, Texas, outside the boundaries of the District, and the roll was called of the duly elected members of the Board, to-wit:

Mark Parsons	President
Vacancy	Vice President
David Daniel	Secretary
Richard Luke	Assistant Vice President
Brian Machart	Assistant Secretary

and all of the above were present.

Also present at the meeting were the following: Jeff Farrar, District resident; Stephen Eustis of RBC Capital Markets, Inc.; Greg Ordeneaux of Tax Tech, Inc.; Shirley McLennan of McLennan & Associates, L.P.; Chris Wilson of ECO Resources, Inc. ("ECO"); Joe Wertz and Steve Wilcox of Klotz & Associates, Inc. ("Klotz"); Tommy Haynes, District Consultant; and Rich Muller and Brenda Presser of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board first reviewed the minutes of a meeting held April 16, 2007. After review and discussion, Director Daniel moved that the Board approve the minutes of the April 16, 2007 meeting, as presented. Director Machart seconded the motion, which passed unanimously.

DISCUSS APPOINTING NEW DIRECTOR TO THE BOARD AND AUTHORIZE APPROPRIATE ACTION

Mr. Muller explained to the Board the process for appointing a new director to fill the vacancy created by the resignation of Director Zwang. Mr. Farrar then introduced himself to the Board and expressed his desire to be considered for the vacant position. He also provided a brief summary of his background, including community involvement, years in the District and occupation. Director Parsons also noted that Karl Fennessey was unable to attend the meeting, but notified Director Parsons of his interest in becoming a

director. Following discussion, Director Daniel moved to appoint Mr. Farrar as a Director. Director Machart seconded the motion, which passed by unanimous vote.

REVIEW AND APPROVE REPORT ON ARBITRAGE REBATE STUDY FOR SERIES 2002 BONDS

Mr. Muller reported that the report is not ready and will be available next month. The Board concurred to table this matter.

RECEIVE PUBLIC COMMENTS

Mr. Muller reported that he spoke with Mr. Beckleman prior to the meeting and Mr. Beckleman stated that he has water in his ditch and if the matter is not resolved to his satisfaction within thirty (30) days, he intends to sue the District. Mr. Muller then instructed the Board to direct all communication with this resident to his attention.

BOOKKEEPER'S REPORT

Ms. McLennan reviewed with the Board the bookkeeper's report and the investment report, and the Board considered bills for payment. Following review and discussion, Director Machart moved that the Board approve the bookkeeper's report, investment report, and payment of bills. Director Daniel seconded the motion, which passed unanimously. A copy of the bookkeeper's report is attached.

TAX ASSESSOR/COLLECTOR'S REPORT

Mr. Ordeneaux reviewed the monthly tax assessor/collector's report, a copy of which is attached. He also reported that current collection rate for 2006 is 94.68% and noted that second notices have been sent to residents with delinquent tax accounts and unpaid tax bills will be forwarded to the District's delinquent tax attorney on July 1. After review and discussion, Director Luke moved to approve the tax assessor/collector's report and payment of bills from the District's tax account. Director Machart seconded the motion, which passed unanimously.

REPORT FROM TOMMY HAYNES

Mr. Haynes presented a drainage report relating to communication with residents to address specific issues. He then discussed punch list items reviewed with the contractor for Phase I (Huff & Mitchell).

Mr. Haynes also reported that the Phase II contractor (Jimerson Underground) is still onsite and updated the board on project progress.

Mr. Haynes updated the Board on the previous discussion regarding line cleaning and recommended that this task be postponed because efforts are counter-productive until the contractor has completed the project. Following discussion, the Board concurred to

postpone line cleaning as recommended, except in those areas significantly affected by standing water.

Mr. Haynes then reported that projects are nearing completion and asked the Board's consideration of whether or not to reduce his presence in District. Following discussion, the Board concurred to maintain Mr. Haynes current status until completion of the project or such other time as modification of his contract is deemed necessary.

The Board discussed a timeline for a maintenance program for the District's ditches and asked Mr. Haynes if he could provide a projected program. Mr. Haynes stated that he could develop a maintenance schedule, which will include inspections to insure that residents' actions are not impeding the District's drainage system.

Following discussion, Director Daniel moved to approve Mr. Haynes report and authorize him to design a maintenance program for the District's ditches that includes inspections to prevent impediments to the District's drainage system. Director Machart seconded the motion, which passed unanimously.

DISCUSS ISSUANCE OF TAX ANTICIPATION NOTE FOR STEEP BANK VILLAGE DITCH PROJECT AND AUTHORIZE APPROPRIATE ACTION

Mr. Eustis
~~Ms. Bartholome~~ reported that she would have a more accurate sense of available funds at the next meeting because a proposed increase in assessed values may allow additional funds that can be applied to the ditch project.

The Board discussed current cash on hand for cost overruns and noted that approximately \$1.2 million may be available to fund Phase III, assuming Phase I and Phase II are within budget. The Bookkeeper stated that she can provide an amount available for funding Phase III upon receipt of final pay estimates for Phase I and Phase II.

ENGINEER'S REPORT

Mr. Wertz presented the engineer's report, a copy of which is attached, and discussed with the Board the items more particularly described hereafter.

Mr. Wertz discussed the new scope for additional phasing of the ditch project as requested by the Board and reported a total cost of approximately \$1.4 million. He then stated the criteria remains the same, however the design and appearance are significantly changes based on exceptions granted by the City of Missouri City. The Board then discussed if the design will result in any adverse affects to the Master Drainage System.

Following review and discussion, and based on the engineer's recommendation, Director Daniel moved to approve the engineer's report and authorize Klotz to design Phase III of the ditch rehabilitation project. Director Luke seconded the motion, which passed by unanimous vote.

OPERATOR'S REPORT AND CONDUCT HEARING ON TERMINATION OF WATER SERVICE TO DELINQUENT CUSTOMERS, AND AUTHORIZE APPROPRIATE ACTION

Mr. Wilson presented and discussed the operator's report, a copy of which is attached. He stated there are 1,766 connections in the District, and an overall accountability for a twelve-month period of 94%. 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.

Mr. Wilson next presented a list of delinquent customers this month. The Board concurred to table action on terminating delinquent accounts because the notice to residents did not reflect the correct meeting date and time.

After discussion, Director Machart moved to approve the operator's report and the motion was seconded by Director Luke and passed unanimously. A copy of the termination list is attached.

RECEIVE REPORT FROM PARK COMMITTEE AND AUTHORIZE APPROPRIATE ACTION

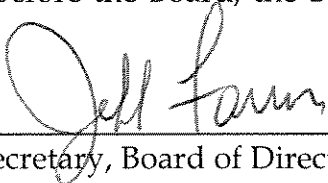
There were no updates to report to the Board.

RECEIVE REPORTS FROM DIRECTORS AND CONSULTANTS AND AUTHORIZE APPROPRIATE ACTION

No additional reports were received by the Board.

SUCH OTHER MATTERS AS MAY COME BEFORE THE BOARD

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


Secretary, Board of Directors



ACTION LIST

1. Klotz to coordinate with LJA to insure revised scope for ditch project does not result in excessive ponding on Sienna Parkway

LIST OF ATTACHMENTS TO MINUTES

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