

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

July 16, 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 16th day of July, 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
David Daniel	Vice President
Jeff Farrar	Secretary
Richard Luke	Assistant Vice President
Brian Machart	Assistant Secretary

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

Also present at the meeting were the following: Karl Fennessy, District resident; Kim Saunders of Tax Tech, Inc.; Shirley McLennan of McLennan & Associates, L.P.; Chris Wilson of ECO Resources, Inc. ("ECO"); Joe Wertz of Klotz & Associates, Inc. ("Klotz"); Tommy Haynes, District Consultant; and Rich Muller, Angela Lutz and Brenda Presser of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board first reviewed the minutes of a meeting held June 18, 2007. After review and discussion, Director Machart moved that the Board approve the minutes of the June 18, 2007 meeting, as presented. Director Daniel seconded the motion, which passed unanimously.

Mr. Muller discussed conflict of interest disclosure requirements pursuant to Chapter 176, Local Government Code relating to the disclosure of certain relationships by Directors, vendors and certain prospective vendors to the District.

RECEIVE PUBLIC COMMENTS

No one from the general public appeared before the Board.

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 Daniel moved that the Board approve the bookkeeper's report, investment report, and payment of bills. Director Machart seconded the motion, which passed unanimously. A copy of the bookkeeper's report is attached.

SCHEDULE BUDGET WORKSHOP TO DISCUSS BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2008

Ms. McLennan requested the engineer provide a schedule of completion dates for current and projected projects one week prior to next scheduled meeting. Discussion then ensued regarding changes in the law allowing separate billing to residents requiring ditch maintenance on their property and it was noted that this may be a consideration for budgetary purposes. The Board also concurred to hold a budget workshop during the next regular meeting on August 20, 2007.

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

Mr. Muller reported that the report is due in August and should be available at the District's next meeting. The Board concurred to table this matter.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Saunders reviewed the monthly tax assessor/collector's report, a copy of which is attached. She also reported that current collection rate for 2006 is 96.95%. After review and discussion, Director Daniel 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.

The Board considered casting the District's 20 votes in favor of Bobby Rich for the water district nominee for the Board of Directors of the Fort Bend Central Appraisal District ("FBCAD"). Ms. Saunders noted that Mr. Rich is a resident of Greatwood and is currently serving on the Board of Directors of the Fort Bend Central Appraisal District. After review and discussion, Director Daniel moved that the Board adopt the Resolution voting for Bobby Rich as the water district nominee as director for the Board of Directors for FBCAD and cast its 20 votes. Director Machart seconded the motion, which passed by unanimous vote. A copy of the Resolution is attached to and shall be considered part of these minutes.

REPORT FROM TOMMY HAYNES

Mr. Haynes presented and reviewed the Steep Bank Village Drainage Improvements Report for June, a copy of which is attached.

He then reviewed with the Board the calls received from residents relating to Phase I, Phase II and Phase III. The Board then discussed a particular complaint from a resident relating to standing water and evidence that overwatering of the property may be the issue. Following discussion, the Board requested ECO to observe irrigation schedule and retain report for reference.

The Board then discussed a ditch maintenance program. Mr. Wilson reported that ECO declines the Board's request to consider adding a ditch maintenance program to their scope of responsibility. He stated that ECO does not have the experience required to adequately manage the District's maintenance program, nor do they have the personnel to support such a program. He reported that he has requested a proposal from Champion Hydrolawn, who is more qualified to execute a maintenance program that will more likely meet the District's expectations. He anticipates presenting a proposal at the next meeting.

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 reported that the final pay estimate for Phase I will be presented following resolution of negotiations with the contractor regarding a discrepancy in materials. He then updated the Board on the progress of Phase II and also reported that Phase III design has been submitted for review by Fort Bend County ("County") and the City of Missouri City ("City"). He stated the County had no issues and the City's exceptions were primarily administrative and not design issues.

Discussion further ensued regarding Phase III scheduling and funding and Mr. Wertz requested the Board's authorization to advertise for construction of the Steep Bank Village Ditch Project, Phase III. Following discussion, Director Daniel moved to authorize Klotz to advertise construction of the Steep Bank Village Ditch Project, Phase III. Director Farrar seconded the motion, which passed unanimously.

The Board next discussed a complaint from a resident regarding a manhole cover.

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 1,770 connections in the District, and an overall accountability for a four-month average of 92.6%. 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 conducted a hearing regarding water and sewer service terminations. He informed the Board that 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 service should not be terminated for reason of non-payment.

Mr. Wilson also reported that the City of Missouri City has distributed notice of a rate increase for fire protection services from \$7.95 to \$8.17 based on the annual Consumer Price Index adjustment contained in the contract. Mr. Muller noted that the District's Rate Order assesses a flat fee per month for fire protection services based on the actual charge to the District by the City of Missouri City for such services. No action is required of the Board on this matter.

Mr. Wilson then discussed painting fire hydrants in the District and reported that he has found a company that proposes to provide a more lasting and durable paint. The Board then discussed costs and number of hydrants that will be painted for budget purposes. Mr. Wilson noted that test hydrants will be painted first prior to making a decision to go forward with the new vendor.

After discussion, Director Daniel moved to approve the operator's report and, to authorize termination of utility services in accordance with the District's Rate Order for residents on the termination list that were either not present at the meeting or had not requested to speak regarding their delinquency nor presented any written statement on the matter to the Board. The motion was seconded by Director Machart 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.

DISCUSS THE ASSOCIATION OF WATER BOARD DIRECTORS SUMMER CONFERENCE AND AUTHORIZE DIRECTORS' ATTENDANCE AT THE ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE

Following discussion of the Association of Water Board Directors summer conference, the Board considered authorizing attendance at the Association of Water Board Directors winter conference in Dallas. After discussion, Director Farrar moved that the Board authorize any interested Directors to attend the winter conference. Director Machart seconded the motion, which passed unanimously.

SUCH OTHER MATTERS AS MAY COME BEFOR THE BOARD

ACTION LIST

1. ECO to provide estimated cost to paint fire hydrants for budget planning.

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
bookkeeper's report	2
tax assessor/collector's report.....	2
Steep Bank Village Drainage Improvements Report for June	2
engineer's report.....	3
operator's report	3
termination list.....	4