

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

October 15, 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 regular session, open to the public, on the 15th day of October, 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 Daniel, thus constituting a quorum.

Also present at the meeting were the following: Brad Koehl of Texas Services; Esther Flores of Tax Tech, Inc.; Colette Garcia of Null-Lairson, P.C.; 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; Michael Rusk of LJA Engineering and Surveying, Inc.; and Angela Lutz and Brenda Presser of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board first reviewed the minutes of a meeting held September 17, 2007. After review and discussion, Director Machart moved that the Board approve the minutes of the September 17, 2007 meeting, as presented. Director Luke seconded the motion, which passed unanimously.

RECEIVE PUBLIC COMMENTS

No public comments were presented nor received by 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 Luke 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.

ADOPT AMENDED RATE ORDER

Ms. Lutz presented an Amended Rate Order for the Board's consideration reflecting an increase in water rates by \$8.00, effective October 1, 2007. Following review and discussion, Director Farrar moved to approve the Amended Rate Order as presented. Director Luke seconded the motion, which passed by unanimous vote.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Flores introduced herself to the Board and reviewed the monthly tax assessor/collector's report, a copy of which is attached. She then announced the ownership of Tax Tech, Inc. will be changing from Mr. Ordeneaux to herself due to Mr. Ordeneaux becoming a candidate for public office and reported that she will be presenting a contract reflecting such change for the Board's consideration at their December meeting. 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 Farrar seconded the motion, which passed unanimously.

ADOPT RESOLUTION VOTING FOR DIRECTOR FOR BOARD OF DIRECTORS ELECTION FOR THE FORT BEND CENTRAL APPRAISAL DISTRICT

The Board considered casting the District's 20 votes in favor of Bobby Rich for the Board of Directors of the Fort Bend Central Appraisal District ("FBCAD"). After review and discussion, Director Farrar 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 Luke seconded the motion, which passed by unanimous vote. A copy of the Resolution is attached to and shall be considered part of these minutes.

CONDUCT PUBLIC HEARING REGARDING TAXATION OF TANGIBLE PERSONAL PROPERTY IN TRANSIT UNDER TEXAS TAX CODE SECTION 11.253 AND ADOPT RESOLUTION TO TAX TANGIBLE PERSONAL PROPERTY IN TRANSIT

Ms. Lutz distributed and reviewed a memorandum prepared by ABHR regarding House Bill 621, which provides for a new exemption from ad valorem taxation for goods-in-transit. A copy of the ABHR memorandum is attached. She then explained that an exemption from taxation on tangible personal property in transit will be automatically applied in January 2008 unless the taxing jurisdiction follows statutory procedures to opt out of the exemption, including holding a public hearing and adopting a Resolution to Tax Tangible Personal Property in Transit.

Director Parsons then opened the public hearing. No members of the public came forward to make comments. Director Parsons then closed the public hearing.

Ms. Lutz presented a Resolution to Tax Tangible Personal Property in Transit for the Board's consideration. Following discussion, Director Machart moved to adopt the Resolution to Tax Tangible Personal Property in Transit as presented and authorized the District's tax assessor/collector to file with the Fort Bend Central Appraisal District. Director Luke seconded the motion, which passed by unanimous vote.

REPORT FROM TOMMY HAYNES

Mr. Haynes presented and reviewed the Steep Bank Village Drainage Improvements Report for September, a copy of which is attached. He then reported that he was on site with the contractor for Phase II to review status of punch list items. He stated that he also met with Texas Services to inspect areas of concern that may require additional work.

RECEIVE REPORT FROM TEXAS SERVICES REGARDING DITCH MAINTENANCE PROGRAM AND AUTHORIZE APPROPRIATE ACTION

Mr. Koehl presented and reviewed a monthly inspection report for maintenance and repair of rehabilitated ditches and discussed recommendations for repairs. He then discussed the maintenance program of Steep Bank East and Phase I program and stated that he will make recommendations to the Board, perform work and invoice the District for costs related to repair. Following review and discussion, Director Machart moved to approve the recommendations as stated in the report presented. Director Luke seconded the motion, which passed by unanimous vote.

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. The Board then discussed Phase III award and funding. Mr. Wertz next discussed negotiated liquidated damages for the Phase II project and payment of the final pay estimate. Ms. Lutz requested information from Mr. Wertz for the purpose of preparing a letter advising Jimerson of abandonment of the project, punch list items not addressed, and a potential claim on the performance bond. Following discussion, Director Luke moved to approve the engineer's report and authorize ABHR to prepare a letter notifying contractor of the District's intent to file a claim on the performance bond to collect for liquidated damages for abandonment of the project and punch list items that were not addressed. Director Farrar seconded the motion, which passed unanimously.

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 1,780 connections in the District, and an overall accountability for a four-month average of 89.26%. 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.

After discussion, Director Luke moved to approve the operator's report, authorize termination of utility services in accordance with the District's Rate Order and approve the re-painting of the District's fire hydrants as discussed. The motion was seconded by Director Farrar and passed unanimously. A copy of the termination list is attached.

RECEIVE REPORTS FROM DIRECTORS AND CONSULTANTS AND AUTHORIZE APPROPRIATE ACTION

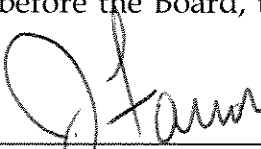
Ms. Lutz reported on the revised date for completion and operation of the fluoride removal and treatment system.

SUCH OTHER MATTERS AS MAY COME BEFORE THE BOARD

The Board discussed their next meeting on November 19th and if they should change the meeting date. Following discussion, the Board concurred that the meeting date for November will be November 19, 2007.

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




Secretary, Board of Directors

ACTION LIST

1. ABHR to file Amendment to Information Form in the official records of Fort Bend County, Texas and with the Texas Commission on Environmental Quality.
2. ABHR to review and provide final version of contract with Texas Services related to maintenance and repair program for District's open ditch system.

LIST OF ATTACHMENTS TO MINUTES

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