

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

December 17, 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 17th day of December, 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: Sandy Denton, Lisa Cox and Jeff Garner of Sienna Plantation Residential Association, Inc.; Brad Koehl of Texas Services; Kim Saunders of Tax Tech, Inc.; Shirley McLennan of McLennan & Associates, L.P.; Andrea Maloof and Lisa Meyers 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 November 19, 2007. After review and discussion, Director Machart moved that the Board approve the minutes of the November 19, 2007 meeting, as presented. Director Farrar seconded the motion, which passed unanimously.

RECEIVE PUBLIC COMMENTS

No public comments were presented nor received by the Board.

## GUIDELINES REGARDING FIRE HYDRANT ACCESS AND VISIBILITY

Mr. Parsons next reported on an e-mail received from a District resident regarding visual obstruction of a fire hydrant surrounded by landscaping. Ms. Lutz then distributed and reviewed sample language provided in a Rate Order by certain Districts addressing this issue by providing specific guidelines pertaining hindrances to fire hydrants. Mr. Rusk then noted the City of Missouri City (the "City") requires reflective buttons placed in the street indicating placement of fire hydrants and an ordinance by the City indicates the City is not responsible to replace any landscaping placed in road right-of-way or dedicated easements, which is the case of the fire hydrant discussed. Following discussion, the Board concurred to take no action on this matter at this time.

## RECEIVE PRESENTATION FROM THE SIENNA PLANTATION RESIDENTIAL ASSOCIATION RELATED TO FUNDING CONSIDERATIONS

Ms. Denton reviewed a power point presentation with the Board from Sienna Plantation Residential Association, Inc ("SPRAI"), a copy of which is attached, and discussed current sports schedule, programming summary of community and user events and provided an update on the condition of improvements to the Sienna Sports Complex. She next discussed enhancements to Camp Sienna and fund raising events, including installation of scoreboards and reported receipt of grant funds from Sienna Plantation Community Services Foundation (the "Foundation") for the purchase and installation of bronze statues.

Ms. Denton then reviewed the budget for 2007 and 2008, reporting that the 2008 budget will operate at a deficit of approximately \$37,000. Discussion ensued regarding funding sources and plans for providing for operation and improvement costs in the future and enhancement funding. No action was taken by the Board at this time.

## BOOKKEEPER'S REPORT

Ms. McLennan reviewed with the Board the bookkeeper's report and the investment report, and the Board considered bills for payment.

She then reviewed the amended budget to reflect cumulative collection for revised rate for water and sewer revenue and surface water revenue and pumpage fee.

After review and discussion, Director Farrar moved to approve the bookkeeper's report, investment report, authorize payment of the bills as discussed and approve the amended budget as presented. Director Machart seconded the motion, which passed unanimously. A copy of the bookkeeper's report is attached.

Ms. McLennan then reviewed an amendment to the contract for Bookkeeping Services and reported proposed changes that would affect only services provided for

the General Fund and Capital Projects Fund, a copy is attached. She also noted an increase in the base fee for general bookkeeping services from \$1,000 to \$1,200 and increases the hourly fee from \$50 per hour to \$75 per hour for reports related to extraordinary items such as the Special Projects Fund. Following review and discussion Director Luke moved to approve the amendment to the contract for bookkeeping services as presented. Director Machart seconded the motion, which passed unanimously.

#### APPROVE RATE INCREASE FOR GARBAGE SERVICES

Ms. Lutz reported that, under the terms of the District's contract for garbage services with WCA Waste Corporation ("WCA"), WCA is permitted an annual increase based on the most recently published Consumer Price Index - All Urban Consumers for Garbage and Trash Collection ("CPI"). She stated WCA is requesting an increase from \$13.90 to \$14.46 per connection, which is consistent with the CPI data reflecting a 4% increase. Following discussion, Director Machart moved to approve the rate increase from \$13.90 to \$14.46 per connection pursuant to the terms of the District's contract with WCA. Director Luke seconded the motion, which passed unanimously.

#### TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Saunders reviewed the monthly tax assessor/collector's report, a copy of which is attached. She requested the Board's authorization to add a line item to the water and sewer bill requesting residents to contact the tax assessor/collector's office if they have not received their tax statement.

She then presented a new contract from Tax Tech, Inc. reflecting the change in ownership of the company and tax assessor/collector from Greg Ordeneaux to Esther Flores.

After review and discussion, Director Machart moved to approve the tax assessor/collector's report, payment of bills from the District's tax account and approve the new contract with Tax Tech, Inc and authorize line item to water a sewer bill regarding non-receipt of tax statement. Director Luke seconded the motion, which passed unanimously.

#### REPORT FROM TOMMY HAYNES

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

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, a copy of which is attached. Following review and discussion, Director Farrar moved to approve the monthly inspection report and approve recommended repairs on North Fitzgerald and Rita Elliott Court as discussed and illustrated in the monthly report. Director Luke seconded the motion, which passed unanimously.

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. He then presented and recommended approval of Pay Estimate No. 8 in the amount of \$237,477.60 to Jimerson Underground, Inc. ("Jimerson") for construction of Steep Bank Trace Primary Storm Collectors, Phase II. He stated he is awaiting the final pay estimate, which is expected to be in the amount of \$136,000.

He then updated the Board on the status of Phase III and noted that a pre-construction meeting with the City of Missouri City is expected prior to January 5, 2008.

The Board next discussed continuation of Mr. Haynes scope of services for construction of Phase III and updating the District's web site to include Phase III construction schedule, map of affected areas and contact information for Mr. Haynes.

Following discussion, Director Machart moved to approve the engineer's report, Pay Estimate No. 8 in the amount of \$237,477.60 to Jimerson for construction of Steep Bank Trace Primary Storm Collectors, Phase II and authorize the continuance of Mr. Haynes scope of services for Steep Bank Trace Primary Storm Collectors, Phase III. Director Daniel seconded the motion, which passed unanimously.

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

Ms. Meyers presented and discussed the operator's report, a copy of which is attached. She stated there are 1,780 connections in the District, and an overall accountability for a four-month average of 95.7%. She then reviewed the management report which describes maintenance and repair items performed within the District since the last meeting and the District backcharge list.

Ms. Meyers 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

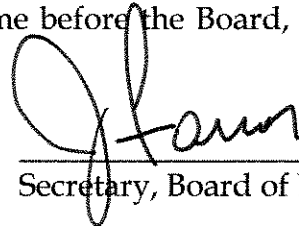
Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility service should not be terminated for reason of non-payment. The Board then discussed deferring termination of utility service for delinquent accounts until January, 2008.

Following discussion, Director Farrar moved to approve the operator's report, authorize tagging the doors for delinquent residents and authorize termination of utility services in accordance with the District's Rate Order on January 2, 2008. The motion was seconded by Director Machart and passed unanimously. A copy of the termination list is attached.

RECEIVE REPORTS FROM DIRECTORS AND CONSULTANTS AND AUTHORIZE APPROPRIATE ACTION

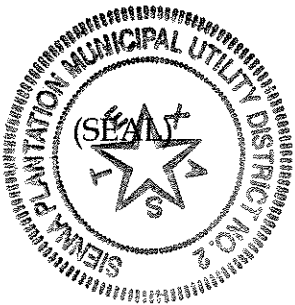
No other reports were presented to the Board of Directors.

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



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Secretary, Board of Directors



ACTION LIST

1. Klotz to provide ABHR with construction schedule, map of affected areas and contact information for update to District's web site.

LIST OF ATTACHMENTS TO MINUTES

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