

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

April 21, 2008

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 21st day of April, 2008, 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
David Daniel	Vice President
Jeff Farrar	Secretary
Richard Luke	Assistant Vice President
Brian Machart	Assistant Secretary

and all of the above were present, except Directors Daniel and Farrar, thus constituting a quorum.

Also present at the meeting were the following: Tom Ramsey and Tom Dodson of Klotz & Associates, Inc. ("Klotz"); Brad Koehl of Texas Services; Kim Saunders of Tax Tech, Inc.; Shirley McLennan of McLennan & Associates, L.P.; Chris Wilson of SWWC Services, Inc. ("SWWC"); Tommy Haynes, District Consultant; Michael Rusk of LJA Engineering and Surveying, Inc.; and Angie Lutz and Brenda Presser of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board first reviewed the minutes of a meeting held March 17, 2008. After review and discussion, Director Machart moved that the Board approve the minutes of the March 17, 2008 meeting, as presented. Director Luke seconded the motion, which passed unanimously.

RECEIVE PUBLIC COMMENTS

No comments were received from the public.

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 noted that she

received, at today's meeting, Pay Estimate No. 2 for construction of the Primary Storm Collectors, Phase 3 in the amount of \$134,397.60, which will be paid at the next meeting. After review and discussion, Director Machart moved to approve the bookkeeper's report, investment report, authorize payment of the bills as discussed. Director Luke seconded the motion, which passed unanimously. A copy of the bookkeeper's report is attached.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Saunders reviewed the monthly tax assessor/collector's report, a copy of which is attached. She also stated that she will obtain a Delinquent Tax Report from the District's tax collection attorneys, Perdue, Brandon, Fielder, Collins & Mott, L.L.P. and present it at the next 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 Machart seconded the motion, which passed unanimously.

REPORT FROM TOMMY HAYNES

Mr. Haynes presented and reviewed the Steep Bank Village Drainage Improvements Report for February, a copy of which is attached. He also reported on the status of construction in Phase III and reviewed a construction activity report.

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.

He next reported on an issue of water not flowing off the road on Kelsey Pass and discussed a proposed plan for repair and associated costs. He also mentioned that he discussed sharing the cost with Sienna Plantation Residential Association, Inc. ("SPRAI") and the developer since the excess water seems to result from over-irrigation of the landscape at the entrance sign. He noted that SPRAI and the developer both declined the offer to contribute to the proposed repairs. Following discussion regarding drainage of the area, the Board concurred to take no action on this matter.

Following review and discussion, Director Luke moved to approve the monthly inspection report and repairs as recommended in the report, except for Kesley Pass. Director Machart seconded the motion, which passed unanimously.

Mr. Koehl next updated the Board on the inspection of the District with Directors Parsons and Daniel and Messrs. Ramsey and Haynes. Mr. Koehl and Mr. Ramsey discussed areas affected by construction for Phases I and II and discussed the list of follow-up for warranty work, engineering, and/or maintenance. Mr. Koehl then stated that maintenance items will be discussed by Messrs. Ramsey and Dodson under the engineer's report.

ENGINEER'S REPORT

Mr. Ramsey reported that change orders are forthcoming, but he estimated a savings to the District on Phase III and reported that Pay Estimate No. 2 in the amount of \$134,397.60 was presented to the bookkeeper and will be considered for payment at next month's meeting, as previously discussed.

He then distributed a chart of Additional Drainage Improvements, a copy of which is attached, which provides a list of 17 areas recently inspected from Phases I and II, in order of magnitude and cost that require maintenance or repair. He noted the first six items are maintenance items and the remaining items are a change in scope to the original design and maintenance program. Mr. Dodson stated that the items recommended under change in scope total approximately \$81,945.00 and may be added by change order to the current Huff & Mitchell contract for Phase III. The Board requested re-evaluation of grouting and staking of the SETs located on Fielder Circle.

Mr. Ramsey then updated the Board specifically on follow up with Mr. Beckleman and a plan has been generated to address the issues on his property. Mr. Ramsey noted that Mr. Beckleman lives on Hart Circle and pointed out that was number 15 on the Additional Drainage Improvements chart that would be receiving flowable fill to correct the standing water in the ditches located in Hart Circle.

Discussion then ensued regarding the source of funds and the bookkeeper reported there appears to be an additional \$88,514.68 funds available, which were not expended on the Phase II project. It was noted that the total cost for scope items do not include additional engineering costs and Mr. Haynes' fees. Ms. Lutz stated that she will confirm the Texas Commission on Environmental Quality's ("TCEQ") rules regarding the percentage of contract amounts allowed for change orders to determine if the proposed cost exceeds the amount allowed. Mr. Dodson also stated the contractor (Huff & Mitchell) has verbally agreed to include in the current contract with a time extension and tie into the end of the Phase III project. He noted the contractor is also agreeable to including proposed improvements in Steep Bank East; however, the Board requested a cost estimate of repair to Steep Bank East to more fully understand the budget for the Special Projects. Following discussion, Director Machart moved that the Board approve the Scope Projects listed on the chart of Additional Drainage Improvements minus repairs to Fielder Circle, re-evaluate a new plan for repairs on Fielder Circle, and request a cost estimate for the repairs to Steep Bank East. Director Luke seconded the motion, which passed unanimously.

APPROVE OPERATOR'S REPORT

Mr. Wilson presented and discussed the operator's report, a copy of which is attached. He stated there are 1,783 connections in the District, and an overall accountability for a four-month average of 92.0%. 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.

Discussion then ensued regarding the status of the fluoride removal and treatment system and it was noted that the system is anticipated to go online next month.

Following discussion, Director Luke moved to approve the operator's report, as presented. The motion was seconded by Director Machart and passed unanimously.

CONDUCT HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS, AND AUTHORIZE TERMINATION OF SERVICE

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 service should not be terminated for reason of non-payment. It was noted that no residents were present to contest delinquent accounts. Following discussion, Director Luke moved to authorize termination of delinquent accounts in accordance with the District's Rate Order. The motion was seconded by Director Machart and passed unanimously. A copy of the termination list is attached.

APPROVE CONSUMER CONFIDENCE REPORT AND FILE CERTIFICATE OF MAILING WITH THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Mr. Wilson reported that the District's drinking water is regulated by the TCEQ to ensure the water is meeting all of the requirements as stated in the Federal Drinking Water Standards, which also requires the District to publish an annual report to residents in the District regarding the status of the drinking water. He then distributed and reviewed a draft of the Consumer Confidence Report regarding water quality for the Board's review. After discussion, Director Luke moved to approve the Consumer Confidence Report as presented, authorize the operator to distribute the Consumer Confidence Report and file the Consumer Confidence Report with the TCEQ. Director Machart seconded the motion, which passed unanimously.

FENCING SURROUNDING LIFT STATION

Ms. Lutz next updated the Board on the developer's preference for a brick fence rather than a wood fence around the lift station located at Sienna Parkway and Waters Lake, as discussed last month. She reported that construction has begun and the developer will invoice the District \$10,000, which is the amount the District would have paid for installation of a wood fence.

ACCEPT CERTIFICATE DECLARING UNOPPOSED STATUS OF CANDIDATES FOR ELECTION TO THE BOARD OF DIRECTORS

Ms. Lutz reviewed a Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors reflecting that as of March 17, 2008, one candidate application, no write-in candidate applications and no withdrawal request was received in connection with the three director positions to be placed on the ballot for the May 10, 2008 Consolidated Directors' election. She stated there will be two openings for directors after May 10, 2008. After review and discussion, Director Machart moved to accept the Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors and direct that it be filed appropriately and retained in the District's official records. Director Luke seconded the motion, which passed unanimously.

ADOPT ORDER DECLARING UNOPPOSED CANDIDATES ELECTED TO OFFICE

Ms. Lutz reviewed an Order Declaring Unopposed Candidates Elected to Office with the Board. She stated that the Order reflects that (1) the Secretary of the Board has certified that the District received only one candidate application, no write-in applications and no withdrawal request in connection with the three director positions to be placed on the ballot for the May 10, 2008 Consolidated Directors' election; (2) pursuant to Section 2.053 of Subchapter C of the Texas Election Code, the District may declare the unopposed candidate for director elected to office in lieu of holding the May 10, 2008 Directors' election; and Brian Machart is hereby elected to office to serve from May 10, 2008 until May 12, 2012. After review and discussion, Director Machart moved to adopt the Order Declaring Unopposed Candidates Elected to Office and direct that it be filed appropriately and retained in the District's official records. Director Luke seconded the motion, which passed unanimously.

ADOPT ORDER OF CANCELLATION

Ms. Lutz reviewed an Order of Cancellation to cancel the May 10, 2008 Consolidated Directors' election in accordance with Section 2.053(a) of the Texas Election Code and declaring that Director Machart has been certified as an unopposed candidate and is hereby elected. She stated that the Order of Cancellation will be posted April 28, 2008, beginning of early voting period, through Election Day in the District. After review and discussion, Director Machart moved to adopt the Order of Cancellation and direct that it be filed appropriately and retained in the District's official records. Director Luke seconded the motion, which passed unanimously.

APPOINT BOARD MEMBER TO BE LIASON FOR MAINTAINING DISTRICT'S INFORMATION ON WEB SITE

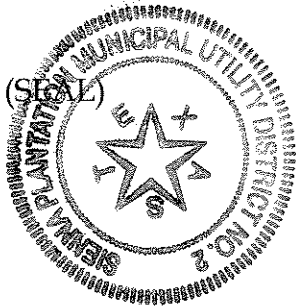
Ms. Lutz discussed maintenance and review of the District's web site and requested the Board's consideration to appoint a board member to oversee the content and

coordinate with the District's web manager to update as needed. Following discussion, the Board concurred to table this matter.

RECEIVE REPORTS FROM DIRECTORS AND CONSULTANTS AND AUTHORIZE APPROPRIATE ACTION

No additional reports were submitted to 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. ABHR will confirm the Texas Commission on Environmental Quality's ("TCEQ") rules regarding the percentage of contract amounts allowed for change orders to determine if the proposed cost exceeds the amount allowed
2. Klotz to provide a cost estimate for repairs in Steep Bank East.

LIST OF ATTACHMENTS TO MINUTES

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