

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

May 19, 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 19th day of May, 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 Farrar and Daniel, thus constituting a quorum.

Also present at the meeting were the following: Stephen Eustis of RBC Capital Markets; Brad Koehl of Texas Services; Aimee Ordeneaux 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.; Richard Muller, Angie Lutz and Brenda Presser of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board first reviewed the minutes of a meetings held April 21 and May 1, 2008. After review and discussion, Director Machart moved that the Board approve the minutes of the meetings held April 21 and May 1, 2008, as presented. Director Luke seconded the motion, which passed unanimously.

RECEIVE PUBLIC COMMENTS

No comments were received from the public.

APPROVE CERTIFICATE OF ELECTION AND DISTRIBUTE TO EACH NEWLY ELECTED BOARD MEMBER

The Board considered (i) approving the Certificate of Election certifying that Brian Machart has been elected to the Board of Directors of the District for a four-year term from May 19, 2008, to May 12, 2012, or until a successor has been elected or appointed and has qualified, and (ii) authorizing distribution of the Certificate of Election to the newly elected Board member. Discussion ensued regarding replacements for Directors Daniel and Luke, who are not seeking re-election, and it was noted that both have agreed to serve as hold over directors until qualified replacements are determined. After review, Director Luke moved that the Board approve the Certificate of Election, authorize distribution of the Certificate of Election to the newly elected Board member, direct that it be filed appropriately and retained in the District's official records. The motion was seconded by Director Luke and passed unanimously.

APPROVE DIRECTORS' OFFICIAL BONDS, SWORN STATEMENTS AND OATHS OF OFFICE

The Board considered approving the Official Bond, Sworn Statement and Oath of Office executed by Brian Machart in connection with his election to the Board of Directors. Director Machart moved to approve the Sworn Statement, Official Bond and Oath of Office executed by Brian Machart, authorize filing the Oath of Office and Official Bond with the Secretary of State and direct that it be filed appropriately and retained in the District's official records. Director Luke seconded the motion, which passed unanimously.

REORGANIZE BOARD AND ELECT OFFICERS

The Board then discussed reorganization. Following discussion and upon a motion made by Director Machart and seconded by Director Luke, the Board voted unanimously that all directors retain their current positions.

AUTHORIZE FILING OF DISTRICT REGISTRATION FORM

The Board considered authorizing ABHR to prepare an updated District Registration Form for filing with the Texas Commission on Environmental Quality. Director Machart moved that the Board authorize ABHR to prepare the District Registration Form as stated and direct that it be filed appropriately and retained in the District's official records. Director Luke seconded the motion, which passed by unanimous vote.

PETITION FOR ANNEXATION OF CERTAIN PROPERTY ADJACENT TO SIENNA PARKWAY INTO THE CORPORATE LIMITS OF THE CITY OF MISSOURI CITY

Mr. Muller reported that the District's Strategic Partnership Agreement and Development Agreement with the City of Missouri City (the "City") allows the City to annex certain commercial property in the District. The City is considering annexing a 14-acre commercial tract at the southeast corner of Sienna Parkway and Waters Lake Boulevard, including the right-of-way from Sienna Parkway through the District. He then stated there is nothing required of the District at this time, however, the City may request a no-objection letter at a later date and he then requested the Board's authorization to prepare such letter, if requested, and authorize the President of the Board of Directors to execute. The Board next discussed affects on District taxes and Mr. Muller stated the only land being annexed in the District is road right-of-way. Following discussion, Director Machart moved to authorize ABHR to prepare a no-objection letter for execution by the President of the Board of Director s if requested by the City. Director Luke seconded the motion, which passed unanimously.

BOOKKEEPER'S REPORT

Ms. McLennan reviewed with the Board the bookkeeper's report and the investment report, and the Board considered bills for payment. After review and discussion, Director Luke moved to approve the bookkeeper's report, investment report, authorize payment of the bills as discussed. Director Machart seconded the motion, which passed unanimously. A copy of the bookkeeper's report is attached.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Ordeneaux reviewed the monthly tax assessor/collector's report, a copy of which is attached. She also noted that delinquent tax statements have been issued. The Board next discussed preliminary estimated values prepared by Fort Bend Central Appraisal District. 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 April, a copy of which is attached. He also reported on the status of construction in Phase III and reviewed a construction activity report.

He then reported that Phase III is 80% complete and noted there are significant deducts in Phase III where improvements can be implemented at a lower cost.

Mr. Haynes also reported that he and Mr. Dodson, of Klotz Engineers, drove through Steep Bank East to review any proposed drainage issues and did not observe

any properties with standing water or unhealthy conditions and also stated that no complaints have been received in over a year. Mr. Haynes then recommended that the Board consider grouting and re-grading Steep Bank East at some time in the future. He stated there is no appearance of immediate attention or an area that cannot be addressed by Texas Tree Service.

Mr. Haynes then reported that he anticipates the contractor for Phase III, Huff & Mitchell, may be substantially complete and will be ready to move off the project prior to the District's next meeting.

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 Machart moved to authorize Texas Services to make the repairs at 8914 and 8910 North Fitzgerald as more fully described in his report. Director Luke seconded the motion, which passed unanimously.

ENGINEER'S REPORT

In the absence of the engineer, Ms. Lutz then presented and, based on the engineer's recommendation, requested approval of Pay Estimate No. 4 in the amount of \$230,373.11 to Huff & Mitchell, Inc. for construction of Primary Storm Collectors, Phase III, along with a Partial Waiver of Lien for each pay estimate.

The Board next discussed the proposed Change Order discussed last month, which would authorize Huff & Mitchell to construct improvements to Phases I and II in the estimated amount of \$81,945.00 prior to moving from the Phase III project.

Following discussion Director Luke moved to approve Pay Estimate No. 4 in the amount of \$230,373.11 to Huff & Mitchell, Inc. for construction of Primary Storm Collectors, Phase III and authorize the President of the Board of Directors to approve the final Change Order, based on the engineer's recommendation, in an amount not to exceed \$90,000 for improvements to Phase I and II. Director Machart 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 1,782 connections in the District, and an overall accountability for a four-month average of 92.8%. 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. 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.

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

The Board concurred to table this matter.

APPOINT REPRESENTATIVE TO MASTER DISTRICT ADVISORY COMMITTEE MEETINGS

Ms. Lutz noted that no one from the District is currently serving on the Sienna Plantation Municipal Utility District No. 1 Advisory Committee. It was noted that Director Farrar is interested in serving in that capacity and Director Parsons indicated he would be interested in serving as an alternate. The Board concurred to appoint Director Farrar as the District's representative and Director Parsons as an alternate representative to serve on the Sienna Plantation Municipal Utility District No. 1 Advisory Committee.

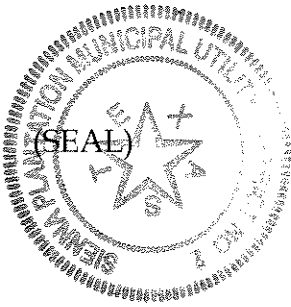
RECEIVE REPORTS FROM DIRECTORS AND CONSULTANTS AND AUTHORIZE APPROPRIATE ACTION

Mr. Rusk reported on the status of the fluoride removal and treatment system and noted that a pilot study is being performed at this time and anticipates putting the system online with the District's drinking water system by mid-June. The Board requested that Mr. Rusk e-mail them when the fluoride treatment system is online.

Mr. Stephen Eustis then addressed the Board regarding moving forward with the refunding bond sale. He then presented an analysis of refunding effects if the market

holds for a refunding bond sale, which includes refunding of the District's Series 1998, 2000, 2000A and 2000-B Bonds. The Board discussed the process of a delegated refunding bond sale. No action was taken at this time.

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



Secretary, Board of Directors

ACTION LIST

1. Michael Rusk of LJA to e-mail Board of Directors when fluoride treatment system is united with District's drinking water.

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Certificate of Election .....	2
Official Bond, Sworn Statement and Oath of Office .....	2
District Registration Form .....	2
bookkeeper's report .....	3
tax assessor/collector's report .....	3
Steep Bank Village Drainage Improvements Report for April .....	3
monthly inspection report for maintenance and repair of rehabilitated ditches. ....	4
Pay Estimate No. 4 in the amount of \$230,373.11 to Huff & Mitchell, Inc.....	4
operator's report.....	4
termination list .....	5
analysis of refunding effects.....	5