

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

July 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 July, 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 Luke, thus constituting a quorum.

Also present at the meeting were the following: 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; Don Francis and Michael Rusk of LJA Engineering & Surveying, Inc.; Angie Lutz and Brenda Presser of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board first reviewed the minutes of a meeting held June 25, 2008. After review and discussion, Director Machart moved that the Board approve the minutes of the meeting held June 25, 2008, as amended. Director Farrar 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. After review and discussion, Director Machart moved to approve the bookkeeper's report, investment report, authorize payment of the bills as discussed. Director Farrar seconded the motion, which passed unanimously. A copy of the bookkeeper's report is attached.

### DEPOSITORY PLEDGE AGREEMENT WITH COMPASS BANK AND LETTERS OF CREDIT AGREEMENT

Ms. Lutz stated that Texas State Bank has merged with Compass Bank and soon will only be using the name Compass Bank. She presented a Depository Pledge Agreement and a Letters of Credit Agreement between the District and Compass Bank. Ms. McLennan noted that Compass Bank proposes to use letters of credit from the Federal Home Loan Bank in Atlanta as collateral for District deposits. After review and discussion, Director Farrar moved to approve the Depository Pledge Agreement and the Letters of Credit Agreement with Compass Bank, direct that such documents be given to the bookkeeper to complete and forward to Compass Bank for execution, and direct that such documents, once completed and fully executed, be filed appropriately and retained in the District's official records. Director Machart seconded the motion, which passed unanimously.

### DISCUSS SPONSORING WATER WISE PROGRAM FOR SIENNA CROSSING ELEMENTARY SCHOOL

Ms. Lutz reported the District currently co-sponsors, with Sienna Plantation Municipal Utility District No. 1 (the "Master District"), the Water Wise Program for Sienna Crossing Elementary School to provide water kits and teach children about water conservation and, in return, the respective sponsoring District will receive groundwater credits. She stated groundwater credits will help to reduce the cost of water and, since the Master District provides the water, it will more beneficial to have the Master District receive the groundwater credits. Following review and discussion, Director Farrar moved to decline sponsoring Sienna Crossing Elementary for the Water Wise Program. Director Machart 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. The current collection rate is 96.53% for 2007 taxes. After review and discussion, Director Machart 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.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

Ms. Saunders reported that delinquent tax accounts have been forwarded to the District's delinquent tax attorney. Discussion ensued regarding penalties and payment of fees to delinquent tax attorney. Following discussion, Director Machart moved to authorize the delinquent tax attorney to proceed with the collection of delinquent taxes. Director Farrar seconded the motion, which passed unanimously.

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 also reported on the status of construction in Phase III and reviewed a construction activity report.

Mr. Haynes notified the Board that this would be his last meeting because he is retiring and that Texas Services will assume his responsibilities in the scope of their services provided to the District.

He then reported that all equipment has been moved from the staging area and the area will be cleaned up, re-graded and a final inspection will be made by Mr. Dodson. The Board then requested that a photograph of the area be provided following inspection.

Mr. Haynes also noted that the Board can expect to receive one additional pay estimate from Huff & Mitchell for approximately \$25,000 and he anticipates an overall savings on the total cost of the project.

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, and based on the recommendation of Texas Services, Director Farrar moved to authorize Texas Services to make the repairs at South Fitzgerald (South Side, West of Doyle Ct.) and Kelsey Pass (North Side) as more fully described in the report. Director Machart seconded the motion, which passed unanimously.

ENGINEER'S REPORT

The Board next considered payment of Pay Estimate No. 6, in the amount of \$128,794.87 to Huff & Mitchell, Inc. for construction of Primary Storm Collectors, Phase III. In the absence of the engineer, Mr. Haynes reported that he has reviewed the pay estimate and recommends payment. Ms. Lutz noted that she received a copy of the pay

estimate and the engineer has signed off for recommendation of payment. Following review and discussion, and based on recommendations of Messrs. Dodson and Haynes, Director Farrar moved to approve Pay Estimate No. 6 in the amount of \$128,794.87 to Huff & Mitchell, Inc. for construction of Primary Storm Collectors, Phase III. 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 1,783 connections in the District, and an overall accountability for a four-month average of 94%. 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 Machart moved to approve the operator's report, as presented. The motion was seconded by Director Farrar 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 services should not be terminated for reason of non-payment. It was noted that no residents were present to contest delinquent accounts. Following discussion, Director Machart moved to authorize termination of delinquent accounts in accordance with the District's Rate Order. 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

The Board next discussed updates to the District's web site and requested the link to Ditch Repairs be re-directed to the District's Operator.

Mr. Francis next updated the Board on the status of the installation of the fluoride removal and treatment system and reported on issues experienced during the inspection to insure the fluoride treatment systems is operational and functional. He noted that it is anticipated that treated water will be entering the District's water system by the end of the week. He also stated that a thirty-day pilot study will begin at that time with a goal of less than 2.0 ppm (parts per million).

DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS SUMMER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT 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 Austin. After discussion, Director Machart moved that the Board authorize any interested Directors to attend the winter conference. Director Farrar seconded the motion, which passed unanimously.

ACCEPT RESIGNATIONS FROM DIRECTORS DANIEL AND LUKE

Ms. Lutz reminded the Board that Directors Daniel and Luke had agreed to continue to serve beyond expired terms until replacement could be found. No potential candidates were able to attend the meeting. The Board concurred to table this matter.

INTRODUCTION OF CANDIDATES AND DISCUSS INTEREST/QUALIFICATIONS

It was noted that three potential candidates were to be considered to fill vacancies and one candidate has withdrawn and the remaining candidates were unable to attend the meeting. The Board concurred to table this matter.

CONVENE IN EXECUTIVE SESSION PURSUANT TO CHAPTER 551.074, TEXAS GOVERNMENT CODE, TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

The Board concurred that there is no need to meet in Executive Session at this time.

RE-CONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

The Board did not meet in Executive Session.

APPOINT NEW DIRECTOR

The Board concurred to table this matter

APPROVE DIRECTOR'S OFFICIAL BOND, SWORN STATEMENT AND OATH OF OFFICE

The Board concurred to table this matter.

REORGANIZE BOARD AND ELECT OFFICERS

The Board concurred to table this matter.

AUTHORIZE FILING OF DISTRICT REGISTRATION FORM

The Board concurred to table this matter.

OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

The Board concurred to table this matter.

CONFLICT OF INTEREST REQUIRED UNDER CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE, INCLUDING REVIEW OF DISCLOSURE FORMS ADOPTED BY THE TEXAS ETHICS COMMISSION AND AUTHORIZE APPROPRIATE ACTION

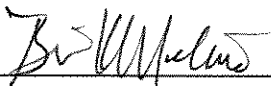
The Board concurred to table this matter.

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

The Board concurred to table this matter.

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. Engineer to provide a photograph to the Board of Directors of the staging area for Primary Storm Collectors, Phase III following inspection.

LIST OF ATTACHMENTS TO MINUTES

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