

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

October 20, 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 20th day of October, 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
Brian Machart	Vice President
Jeff Farrar	Secretary
Michael Kroboth	Assistant Vice President
David N. Morrell, Jr.	Assistant Secretary

and all of the above were present.

Also present at the meeting were the following: Brad Kohl of Texas Services, Ltd.; Tom Ramsey of Klotz & Associates, Inc. ("Klotz"); Kim Saunders of Tax Tech, Inc.; Karla Efigenio of McLennan & Associates, L.P.; Chris Wilson of SWWC Services, Inc. ("SWWC"); Don Francis 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 meetings held August 18, September 4 and September 22, 2008. After review and discussion, Director Machart moved that the Board approve the minutes of the meetings held August 18, September 4 and September 22, 2008. Director Farrar seconded the motion, which passed unanimously.

RECEIVE PUBLIC COMMENTS

No comments were received from the public.

BOOKKEEPER'S REPORT

Ms. Efigenio 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.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Saunders reviewed the monthly tax assessor/collector's report for August and September and delinquent tax report, a copy of which is attached. After review and discussion, Director Kroboth moved to approve the tax assessor/collector's report, payment of bills from the District's tax account and authorize pursuit of collection of taxes for delinquent accounts. Ms. Saunders also discussed having the District's delinquent tax attorney attend an upcoming meeting. Director Machart seconded the motion, which passed unanimously.

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

Mr. Koehl presented and reviewed the August and October 2008 Maintenance Report for maintenance and repair of rehabilitated ditches and discussed recommendations for repairs, a copy of which is attached. He also noted there is no report for September due to Hurricane Ike and post storm debris removal. Following review and discussion, and based on the recommendation of Texas Services, Director Farrar moved to authorize Texas Services to make the repairs at 3903 North Calder Way, as more fully described in the report. Director Kroboth seconded the motion, which passed unanimously.

ENGINEER'S REPORT

Mr. Ramsey next presented and recommended approval of Pay Estimate No. 7 (Final) in the amount of \$28,668.15 to Huff & Mitchell, Inc. for construction of Primary Storm Collectors, Phase III, along with the Final Waiver of Lien. He also presented and recommends approval of Change Order No. 3 providing for a decrease of the contract in the amount of \$163,769.94 for reconciliation of the project and release of retainage. Mr. Ramsey stated that the project is awaiting inspection by the City of Missouri City, satisfactory completion of punch list, and noted that the Engineer's Certificate of Completion is forthcoming.

Mr. Klotz next updated the Board on the claim from Jimerson relating to an outstanding balance due on the contract for the Phase II project in the amount of \$24,287 and noted that such amount appears to represent the cost for services rendered by Klotz and Tommy Haynes because the contract exceeded completion deadline. Following

discussion, the Board directed ABHR to research District records to determine if all or a portion of the \$24,287 is due to Jimerson.

After discussion and based on the engineer's recommendation, Director Kroboth moved to: 1) approve Pay Estimate No. 7 (Final) in the amount of \$28,668.15 to Huff & Mitchell, Inc. for construction of Primary Storm Collectors, Phase III; 2) approve Change Order No. 3 to decrease the contract amount by \$163,769.94 for construction of Primary Storm Collectors, Phase III subject to ABHR approval, inspection and acceptance by the City of Missouri City and a final walk through by Klotz to confirm no storm damage had occurred resulting from Hurricane Ike; 3) accept construction of Primary Storm Collectors, Phase III, subject to inspection by the City of Missouri City, punch list is completed satisfactorily and receipt of Engineer's Certificate of Completion; and 4) direct that copies be filed appropriately and retained in the District's official records. Director Morrell 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 97.5%. 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

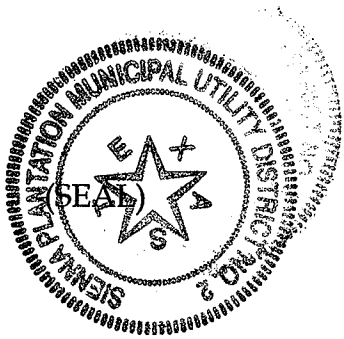
Mr. Wilson next presented a list of delinquent customers this month and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to 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 the Operator to defer 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.

REPORTS FROM DIRECTORS AND CONSULTANTS

Mr. Francis reported on the status of the Fluoride Treatment System and stated the acid tank had leaked 800 gallons of sulfuric acid, which was contained and the tank has since been removed. He stated that a recommendation will be presented to the

Master District for repairs to resolve safety issues and to start up the facility with the current supply of chemicals while repairs are addressed. He also noted that the Master District has requested LJA to prepare an Emergency Operation Manual, which outlines procedures during an extreme event.

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



Secretary, Board of Directors

ACTION LIST

1. Klotz to provide Engineer's Certificate of Completion, City of Missouri City inspection approval and confirmation that all punch list items have been satisfied for construction of Primary Storm Collectors, Phase III.
2. ABHR to research outstanding amount due to Jimerson and determine if all or a portion of the \$24,287 retainage amount is due.

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
bookkeeper's report.....	2
tax assessor/collector's report	2
August and October 2008 Maintenance Report.....	2
operator's report.....	3
termination list	3