

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

March 9, 2009

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 9th day of March, 2009, 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, except Director Kroboth, thus constituting a quorum.

Also present at the meeting were the following: Tom Ramsey of Klotz & Associates, Inc. ("Klotz"); Brad Koehl of Texas Services, Ltd.; Kim Saunders of Tax Tech, Inc.; Diane Fingleman of McLennan & Associates, L.P.; Chris Wilson of SWWC Services, Inc. ("SWWC"); and Angie Lutz and Susan Hostetler of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board first reviewed the minutes of the meeting held February 16, 2009. After review and discussion, Director Farrar moved to approve the minutes of the meeting held February 16, 2009. Director Parsons seconded the motion, which passed unanimously.

RECEIVE PUBLIC COMMENTS

No public comments were received.

APPROVE ANNUAL REPORT AND AUTHORIZE FILING IN ACCORDANCE WITH THE DISTRICT'S CONTINUING DISCLOSURE OF INFORMATION AGREEMENT AND AS REQUIRED BY SEC RULE 15c2-12

Ms. Lutz reviewed the Annual Report with the Board. After review and discussion, Director Morrell moved to approve the annual report and to authorize filing the annual report in accordance with the District's Continuing Disclosure of Information Agreement and as required by SEC Rule 15c2-12. Director Machart seconded the motion, which passed by unanimous vote.

REVIEW DROUGHT CONTINGENCY PLAN

Ms. Lutz stated districts that have previously adopted drought contingency plans are required to adopt revised drought contingency plans no later than May 1, 2009. She noted that a revised drought contingency plan will be presented for the Board's consideration at the next meeting.

ADOPT ORDER ADOPTING IDENTITY THEFT PREVENTION PROGRAM

Ms. Lutz reported that the Federal Trade Commission has issued a new rule regarding identity theft prevention known as the "Red Flag Rule," applicable to any creditor who extends, renews, or continues credit for services. She added that the Red Flag Rule requires all water districts that provide water or sewer services for residential or commercial purposes to implement a written Identity Theft Prevention Program. The Board reviewed the proposed Identity Theft Program. Upon a motion by Director Farrar and a second by Director Machart, the Board voted unanimously to adopt the Order Adopting Identity Theft Prevention Program and Providing for Implementation and Enforcement Thereof. A copy of the Order is attached.

FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING PAYMENT OF BILLS AND REVIEW OF INVESTMENTS

Ms. Fingleman then reviewed the bookkeeper's report, the District's investment report, and presented checks for approval. After review and discussion, Director Farrar moved to: (1) approve the bookkeeper's report and investment report; (2) authorize payment of the bills as presented; and (3) direct that the reports be filed appropriately and retained in the District's official records. Director Morrell seconded the motion, which passed unanimously.

ENGAGE COMPANY TO CONDUCT ARBITRAGE REBATE STUDY FOR SERIES 1998 BONDS

Ms. Lutz reviewed a proposal and requested the Board's authorization to engage the services of OmniCap, LLP to prepare an analysis to determine if a payment is due on the District's Series 1998 bonds. Following review and discussion, Director Machart

moved to approve the proposal from OmniCap, LLP as presented and authorize them to prepare an arbitrage rebate analysis on the District's Series 1998 Bonds. Director Farrar seconded the motion, which passed by unanimous vote.

TAX ASSESSMENT AND COLLECTION MATTERS, INCLUDING DELINQUENT TAX COLLECTIONS, INSTALLMENT AGREEMENTS, AND PAYMENT OF TAX BILLS

The Board received the tax assessor/collector's report, a copy of which is attached. The Board also consider two requests for waiver of penalty and interest for their 2008 taxes. Following review and discussion, Director Farrar moved to (1) approve the tax assessor/collector's report; (2) direct that it be filed appropriately and retained in the District's official records; (3) authorize payment of bills; and (4) deny the requests for waiver of penalty and interest due to the absence of evidence of error by the taxing authority. Director Machart seconded the motion, which passed unanimously.

ADOPT RESOLUTION PROVIDING FOR ADDITIONAL PENALTY FOR TAX COLLECTION COSTS AND RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. Lutz reviewed a Resolution Providing for Additional Penalty for Tax Collection Costs with the Board, a copy of which is attached. She stated that the Resolution reflects (1) that an additional 20% penalty will be imposed on delinquent personal property taxes that are not paid prior to April 1, 2009 for the current year and each succeeding year thereafter; and (2) that an additional 20% penalty will be imposed on delinquent real property taxes that are not paid prior to July 1, 2009 for the current year and each succeeding year thereafter. She noted that the policy will remain in effect for each tax year until the Board wishes to make a change.

Ms. Lutz then reviewed a proposed Resolution Concerning Exemptions from Taxation and noted current tax exemptions provide for a \$20,000 exemption for residents that are disabled and/or 65 years of age or older and rejects a general homestead exemption and exemptions for charitable organizations and travel trailers.

After discussion, Director Farrar moved to: 1) adopt the Resolution Providing for Additional Penalty for Tax Collection Costs; 2) adopt the Resolution Concerning Exemptions from Taxation, which authorizes a \$20,000 exemption to persons who are disabled or 65 years of age or older and rejects exemptions for general homestead, travel trailers or charitable organizations; and 3) direct that they be filed appropriately and retained in the District's official records. The motion was seconded by Director Morrell, which passed by unanimous vote.

APPROVE DEPOSITORY PLEDGE AGREEMENT

Ms. Lutz reported on December 15, 2008, the Board approved an updated Depository Pledge Agreement with Wells Fargo Bank. She stated there is not a copy of the updated Depository Pledge Agreement in the District's records, and, therefore it is being re-submitted to all parties for signature. Following review, Director Machart made a motion to approve the Depository Pledge Agreement with Wells Fargo Bank. Director Farrar seconded the motion, and it carried unanimously.

REPORT FROM TEXAS SERVICES REGARDING DITCH MAINTENANCE PROGRAM

Mr. Koehl presented and reviewed the current Maintenance Report for maintenance and repairs of rehabilitated ditches (the "Maintenance Report") and discussed recommendations for repairs, a copy of which is attached. The Board agreed to review the status of grass cover at 9635/9639/9643 Roark's Passage next month. Mr. Koehl reviewed maintenance to be performed at Haviland Lane, and stated he is obtaining a complete estimate for the proposed work. Following discussion, Director Machart moved to authorize repair of the projects located at 3710 Wickson Square and 3714/3710 Shreve Lane, as more fully described in the Maintenance Report. Director Morrell seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS

Mr. Ramsey updated the Board regarding additional storm sewer improvements in Steep Bank Trace. He reviewed Klotz & Associates' proposal in the amount of \$120,000, for final design, bidding and construction phase services for such improvements. Following discussion, Director Farrar made a motion to approve the proposal for final design, bidding and construction phase services for additional storm sewer improvements in Steep Bank Trace. Director Machart seconded the motion, which passed by unanimous vote.

OPERATION OF DISTRICT FACILITIES, BILLINGS, REPAIRS AND MAINTENANCE

Mr. Wilson presented and discussed the operator's report, a copy of which is attached. He stated there are 1,784 connections in the District. 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. The Board discussed a resident's complaint regarding payment of his water bill via the local drop box, and request for waiver of the late charge assessed. The Board asked Mr. Wilson to research the issue. Following discussion, Director Farrar moved to approve the operator's report, as presented. The motion was seconded by Director Morrell and passed unanimously.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

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 Farrar moved to authorize the termination of delinquent accounts in accordance with the District's Rate Order. The motion was seconded by Director Morrell and passed unanimously. A copy of the termination list is attached.

MASTER DISTRICT MATTERS

Ms. Lutz stated she had nothing to report regarding master district matters.

CONVENE IN EXECUTIVE SESSION PURSUANT TO CHAPTER 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, INCLUDING PERMIT PROTESTS

The Board did not convene in Executive Session pursuant to Chapter 551.071 of the Texas Government Code to conduct a private consultation with attorney to discuss pending or contemplated litigation, including permit protests.

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 file the Annual Report as required by the Continuing Disclosure of Information Agreement and SEC Rules 15c2-12.
2. ABHR and the operator will prepare the Drought Contingency Plan.
3. Mr. Koehl will present an estimate for maintenance work at Haviland Lane.
4. Mr. Wilson will investigate the resident's complaint regarding payment of the water bill at the in-District drop box.

LIST OF ATTACHMENTS TO MINUTES

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