

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

March 22, 2010

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 March 22, 2010, 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 Directors Parsons and Kroboth, thus constituting a quorum.

Also present at the meeting were the following: Keith Brown, District Resident; Sylvia Avila of WCA; Brad Koehl Texas Services; Sandy Denton of Sienna Plantation Residential Association, Inc.; Tom Ramsey of Klotz & Associates; Kim Saunders of Tax Tech, Inc.; Karla Efigenio of McLennan & Associates, L.P.; Michael Rusk of LJA Engineering & Surveying, Inc.; Chris Wilson of SWWC Services, Inc. ("SWWC"); and Angie Lutz and Brenda Presser of Allen Boone Humphries Robinson LLP.

MINUTES

The Board reviewed the minutes of the meeting held February 15, 2010. After review and discussion, Director Farrar moved to approve the minutes of the meeting held February 15, 2010. Director Machart seconded the motion, which carried by unanimous vote.

RECEIVE PUBLIC COMMENTS

Keith Brown, District resident, addressed the Board regarding drainage issues in front of and on the side of his house. Mr. Koehl reported that he has investigated the site and reviewed issues. He then proposed installation of a concrete drain box near the curb and connection to a nearby manhole to resolve the issue in the front yard. He then recommended cutting a swale to resolve issues on the side yard. Discussion ensued regarding whether or not these issues are under warranty with the contractor. Mr. Ramsey confirmed this issue and the project was no longer under warranty. In connection with these issues, the Board concurred to receive Mr. Koehl's report out of order on the agenda. Mr. Koehl presented and reviewed the current Maintenance Report for maintenance and

repairs of rehabilitated ditches (the "Maintenance Report"), which are not within the project scope for the Primary Collector Ditch and Unmaintainable Cul-de-Sac Piping Project. A copy of this report is attached. Following discussion, Director Farrar moved to authorize repair at 9227 North Fitzgerald Way in the amount of \$1,880 for repairs to front yard drainage issues and \$680 to repair drainage issues in the side yard; and all other projects as recommended, except 3903 Dewalt Manor, and more fully described in the Maintenance Report. Director Morrell seconded the motion, which was approved by unanimous vote.

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

Ms. Efigenio reviewed the bookkeeper's report and the District's investment report, and presented checks for approval. After review and discussion, Director Morrell moved to: (1) approve the bookkeeper's report and investment report; and (2) authorize payment of the bills as presented, and to direct that the reports be filed appropriately and retained in the District's official records. Director Farrar seconded the motion, which carried by unanimous vote. A copy of the bookkeeper's report is attached.

PAYMENT TO SIENNA PLANTATION MUNICIPAL UTILITY DISTRICT NO. 1 REGARDING WASTEWATER TREATMENT PLANT NO. 2

Ms. Lutz reminded the Board of the allocation of a contract tax to provide for the District's pro-rata share of the costs of Sienna Plantation Municipal Utility District No. 1's (the "Master District") wastewater treatment facilities pursuant to the terms of a Contract for Financing, Operation and Maintenance of Regional Water, Sanitary Sewer, and Storm Sewer Facilities between the District and the Master District. She then reported the District previously made a partial payment for the District's pro-rata share of the cost to purchase of Wastewater Treatment Plant No. 2. She stated the remaining balance of the District's payment due is \$168,310, which will be paid to the Master District at a meeting scheduled for March 25, 2010 from the District's collection of the 2009 contract tax. Following discussion, Director Morrell moved to authorize the transfer of \$168,310 to the Master District in full payment of the District's 2009 contract tax for the District's pro-rata share of the cost to purchase Wastewater Treatment Plant No. 2 and authorize execution of a Receipt evidencing such payment. 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

Ms. Saunders presented and reviewed the tax assessor/collector's report, a copy of which is attached. She stated that 93.25% of the District's 2009 tax levy had been collected as of February 28, 2010. Following review and discussion, Director Morrell 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; and (3) authorize payment of bills. Director Farrar seconded the motion, which carried by unanimous vote.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

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. She noted that the District's financial advisor concurs with a recommendation of this exemption. After discussion, Director Farrar moved to 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 directs that it be filed appropriately and retained in the District's official records. The motion was seconded by Director Morrell, which passed by unanimous vote.

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 Farrar seconded the motion, which passed by unanimous vote.

REPORT FROM TEXAS SERVICES REGARDING DITCH MAINTENANCE PROGRAM

Mr. Koehl presented and reviewed the current Maintenance Report for maintenance and repairs of rehabilitated ditches under "Receive Comments from the Public" in the above paragraph. Action by the Board is also reflected under the same matter. No further discussion or action was taken by the Board upon arrival to this agenda item.

ENGINEERING MATTERS

Mr. Ramsey reported on the status of the Primary Collector Ditch and Unmaintainable Cul-de-Sac Piping Project (the "Project")

He then confirmed receipt of letters from the City of Missouri City (the "City") regarding of Steep Bank Village Ditch Project, Phase III (the "Phase III Project") and Primary Collector Ditch and Unmaintainable Cul-de-Sac Piping Project regarding warranty periods for each project and noted that the warranty period for the Phase III Project is incorrect and the City has agreed to revise its letter relating to the warranty

period to reflect the correct date for the Phase III Project. Mr. Ramsey noted that such letter had not been received by meeting time and he will follow up with the City.

Mr. Ramsey next reported on issues at 8615 N. Fitzgerald in which there is a situation where the inlet is higher than the area and he will coordinate with the contractor to implement modifications to resolve issue. It was noted that Paskey is the contractor for this repair.

Following discussion and based on the engineer's recommendation, Director Morrell moved to accept Steep Bank Village Ditch Project, Phase III and Primary Collector Ditch and Unmaintainable Cul-de-Sac Piping Project, subject to the District's receipt of letter from engineer and confirmation from the City regarding corrected and updated warranty date for the Phase III Project and a letter from Mr. Ramsey recommending the District's acceptance of the two projects. Director Farrar seconded the motion, which passed by unanimous vote.

Ms. Denton next addressed the Board regarding expansion of Club Sienna, which will include an additional 5,300 square foot building requiring an allocation of two (2) additional equivalent single family connections. Mr. Rusk confirmed the District has two additional connections available to allocate to Club Sienna. The Board next discussed payment of the connections. Following discussion, Director Farrar moved to approve a request to the Master District for allocation of two additional connections as requested by Club Sienna to accommodate their expansion. Director Morrell seconded the motion, which passed by unanimous vote.

Ms. Denton next updated the Board on status of repair to tunnel to alleviate drainage issues previously discussed with the Board. She noted that the contractor for the project is providing payment and performance bonds for review and reported a modification to design to reduce traffic use and anticipates construction to begin next week. She also stated that the project is increased to a budget of approximately \$175,000 and the District will be invoiced when construction begins.

OPERATION OF DISTRICT FACILITIES, BILLINGS, REPAIRS, AND MAINTENANCE

Mr. Wilson presented and reviewed the operator's report, a copy of which is attached. He stated there are 1,784 connections in the District and there are no regulatory issues for the month. Mr. Wilson stated that water accountability for last month was 95.52%. He reported on maintenance and repair items performed within the District since the last meeting and the District backcharge list. Director Farrar moved to approve the operator's report, as presented. The motion was seconded by Director Morrell, and carried by unanimous vote.

Ms. Avila was introduced to the Board as a representative of the District's garbage service provider and provided contact information. She then discussed the introduction of

new recycling bins, which will be on display at the Association of Water Board Directors summer conference in June, 2010.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

Mr. Wilson reported that the Operator will tag doors of delinquent accounts due to meeting date change. He then presented a list of delinquent customers 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. A copy of the termination list is attached. Following discussion, Director Farrar moved to tag the doors of delinquent accounts in accordance with the District' Rate Order. Director Morrell seconded the motion, which carried by unanimous vote.

COST SHARING AGREEMENT WITH SIENNA PLANTATION RESIDENTIAL ASSOCIATION, INC. FOR MUNICIPAL SERVICES

Ms. Lutz presented a Cost Sharing Agreement ("Agreement") with Sienna Plantation Residential Association, Inc. ("SPRAI") for municipal services for the Board's consideration, pursuant to previous authorization. She reported the Agreement provides for an annual flat rate payment in the amount of \$88,293 to SPRAI for costs associated with municipal services provided for the District's benefit by SPRAI. Following discussion, Director Farrar moved to approve and authorize execution of the Cost Sharing Agreement for Municipal Services and payment to SPRAI in the amount of \$88,293, and direct that the Cost Sharing Agreement filed appropriately and retained in the District's official records. Director Morrell seconded the motion, which carried by unanimous vote.

MASTER DISTRICT MATTERS

Mr. Farrar reported on the presentation by Jeff Braun and emergency preparedness and the Board's awareness of the District's plan and responsiveness. The Board discussed designation of key contacts and the Master District's emergency plan. Discussion ensued regarding communication improvements.

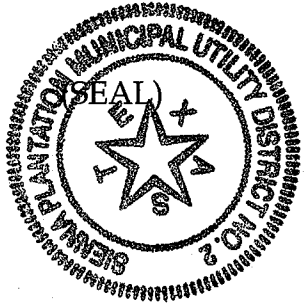
CONVENE IN EXECUTIVE SESSION PURSUANT TO CHAPTER 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION

The Board did not convene in executive session.

RE-CONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION
REGARDING PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING
OR CONTEMPLATED LITIGATION

The Board did not re-convene in open session.

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



Asst. 
Secretary, Board of Directors

ACTION ITEMS

1. Klotz to provide to the Board respective letters of recommendation relating to the District's acceptance of the Steep Bank Village Ditch Project, Phase III and Primary Collector Ditch and Unmaintainable Cul-de-Sac Piping Project.

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Maintenance Report for maintenance and repairs of rehabilitated ditches.....	2
bookkeeper's report	2
tax assessor/collector's report.....	2
Resolution Concerning Exemptions from Taxation.....	3
operator's report.....	4
termination list.....	5