

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

August 17, 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 17th day of August, 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 Morrell, thus constituting a quorum.

Also present at the meeting were the following: Kelly Howden, Director of Sienna Plantation Management District; Bill Odle of TBG Partners, Inc.; Jan Bartholomew of RBC Capital Markets; Cynthia Kelsch of Klotz & Associates, Inc. ("Klotz"); Brad Koehl of Texas Services, Ltd.; Kim Saunders of Tax Tech, Inc.; Shirley McLennan of McLennan & Associates, L.P.; Michael Rusk of LJA Engineering & Surveying, Inc.; Chris Wilson of SWWC Services, Inc. ("SWWC"); Angie Lutz and Brenda Presser of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board first reviewed the minutes of the meeting held July 20, 2009. After review and discussion, Director Machart moved to approve the minutes of the meeting held July 20, 2009. Director Farrar seconded the motion, which passed unanimously.

RECEIVE PUBLIC COMMENTS

No public comments were received by the Board.

SIENNA PLANTATION LEVEE IMPROVEMENT DISTRICT PROPOSED PARK PLAN

Mr. Odle reported that Sienna Plantation Levee Improvement District of Fort Bend County, Texas ("SPLID") has engaged the services of TBG Partners, Inc. for preparation of a Park Plan for consideration of the implementation of a park and recreational program

and facilities. He reviewed an illustrated Park Plan, which is under consideration by SPLID and noted approved facilities allowed by the Texas Commission on Environmental Quality ("TCEQ"). The Board next discussed the general vicinity of the recreational facilities, funding and publication of the Park Plan to residents. No action was required or requested of the Board.

Ms. Bartholomew next discussed available funding sources, current financial obligations of SPLID and future capacity to sell park bonds as it relates to District value to support such debt. It was noted that SPLID will not increase its tax to fund a park and recreational program.

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

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

TRANSFER OF CONTRACT TAX COLLECTION TO SIENNA PLANTATION MUNICIPAL UTILITY DISTRICT NO. 1

Ms. Lutz reminded the Board of previous conversations and approval authorizing the allocation of a Contract Tax in the amount of \$0.09 to provide for the District's pro-rata share of the costs of the Master District's wastewater treatment facilities. Ms. Lutz and Ms. McLennan discussed the District's contract tax allocation and requested the Board's consideration to transfer approximately \$406,000, as set aside from the District's contract tax allocation, to the Master District for the District's Wastewater Treatment Plant No. 2. Ms. Lutz also noted that a District Receipt has been prepared evidencing the transfer and receipt of such funds. Following discussion, the Board concurred to table this matter to the next meeting in order for the bookkeeper to prepare a wire transfer for transfer of the funds.

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2010

Ms. McLennan discussed the District's proposed operating budget and special projects budget for the fiscal year ending September 30, 2010. She noted the draft budget was prepared using estimated values and assuming \$0.11 maintenance tax. The Board discussed scheduling a budget workshop and concurred to meet on September 9, 2009 at 5:00 p.m. in at the Sienna Plantation Homefinder's Center to further discuss and consider adoption of the District's budget.

APPROVE MATERIAL EVENT NOTICE

Ms. Bartholomew reported on the refunding effects and savings in the amount of approximately \$432,878 that will be realized by the District from the sale of the Series 2009 Refunding Bonds. She noted that the District is required to file a material event notice because the District anticipates calling bonds after the Closing of the Series 2009 Refunding Bonds. Following discussion, Director Farrar moved to authorize ABHR to file the prepared material event notice. Director Machart seconded the motion, which passed unanimously.

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. 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; and (3) authorize payment of bills. Director Machart seconded the motion, which passed unanimously.

APPROVE CREDIT CARD PAYMENT SERVICES AGREEMENT FOR PAYMENT OF TAX BILLS

Ms. Saunders reported that, effective September 1, 2009, all taxing entities will be required to accept credit cards for tax bill payments and noted that the District's Tax Assessor/Collector does not have credit card payment services already in place. She stated that a form of agreement for payment of tax bills by credit card has been prepared and requested the Board's consideration for approval, subject to ABHR's final review. Following discussion, Director Farrar moved to approve the form of agreement for payment of tax bills by credit card, subject to ABHR's final review. Director Kroboth seconded the motion, which passed 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"), 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 approve recommended repairs at Steep Bank Trace (East of Sienna Parkway to Bailey Lane), as more fully described in the Maintenance Report. Director Machart seconded the motion, which passed unanimously vote.

ENGINEERING MATTERS

Ms. Kelsch reported on the status of the Primary Collector Ditch and Unmaintainable Cul-de-Sac Piping Project (the "Project") and updated the Board on the status of issues associated with construction. The Board also discussed the order of

construction and safety issues as set forth by the City of Missouri City and traffic control. Ms. Kelsch offered to have a representative monitor the project on a daily basis and oversee the project superintendent to insure safety issues are being addressed.

Ms. Kelsch reported that she anticipates a Change Order in the amount of \$1,200 to repair a flowline, which entailed the destruction and replacement of a driveway. She also anticipates a Change Order for clean-out drains in the shape of "y" for yard drains in the amount of \$2,000 per yard drain. She anticipated that Change Orders for these items will be presented at the District's next meeting and will not affect the overall budget of the project. The Board then considered approval of approval of Pay Estimate #1 in the amount of \$101,558.95 to Paskey, Incorporated ("Paskey") for construction of Steep Bank Trace Storm Sewer Improvements. She noted that the project is scheduled for a preliminary walk-through on August 24, 2009, and substantial walk-through is scheduled for September 8, 2009, which would begin the one-year warranty period. The Board requested ABHR to hold Pay Estimate #1 until Director Farrar reports to ABHR all necessary repairs are complete. Director Parsons next inquired about inlets that are above the sidewalks. Ms. Kelsch requested the Board provide addresses where the inlets are located that are above the sidewalk and she will investigate the situation. Director Parsons requested that Klotz review all inlets for compliance with the contract.

Ms. Lutz reported that she received a call from a resident that is concerned about the project's affect on the drainage of his property. She stated that he advised that his property has not experienced any drainage issues and is concerned that a bigger problem is being created because his drainage system has not been tied into the new drainage improvements and his backyard could overflow. Ms. Kelsch reported she would review the address presented by Ms Lutz, contact the resident and report the result at the Board's next meeting.

Ms. Kelsch reported that she will follow up with the contractor and report via email to the Board. Director Machart moved to: 1) approve payment on Pay Estimate #1 pending resolution of quality of work associated with standards in the contract and confirmation by Director Farrar; 2) authorize ABHR to prepare a letter to the contractor notifying that a check will be released to Paskey when contract compliance is satisfactory; 3) authorize Directors Parsons and Farrar to approve the release of payment to Paskey, upon compliance improvements are satisfied; and 4) accept the engineer's verbal report, as discussed. Director Farrar seconded the motion, which passed unanimously.

Ms. Kelsch then reported on the status of the issue with a maintenance bond associated with Phase III project in which Huff & Mitchell was the contractor. She stated that Jeff Heflin of Huff & Mitchell is coordinating with Klotz to obtain a maintenance bond as required by the City of Missouri City. Ms. Lutz reported on the research and response she had provided Ms. Kelsch regarding this matter.

Ms. Lutz reported that Sienna Plantation Residential Association, Inc. is engaging a contractor to perform repairs the Pedestrian Tunnel and will make a presentation to the Board to request financial assistance if the need arises.

INSTALLATION OR PURCHASE QUICK CONNECTS TO DISTRICT FACILITIES AND PURCHASE OF ADDITIONAL GENERATORS

Ms. Lutz reported on the installation of quick connects at the District's lift stations to allow connection with a mobile generator to provide auxiliary power in an emergency event. She reported that the Master District considered paying the costs for installation of connections at all facilities, but at this time it is estimated by the Master District that the cost exceeded the maximum bidding requirement of \$50,000 and, therefore, the District may be responsible for its share of the cost for its facilities. Following discussion, Director Machart moved to authorize the Master District to install quick connects at the District's facilities. Director Farrar seconded the motion, which passed unanimously.

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 that 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.

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. Following discussion, Director Machart moved to authorize the 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.

RENEWAL OF DISTRICT'S INSURANCE POLICY

Ms. Lutz reported the District's insurance policies are due to expire on October 1, 2009, and requested the Board's consideration to solicit the current carrier, Anco-McDonald Insurance, or other vendors for a renewal policy. Following discussion, Director Farrar moved to request a renewal proposal from Anco-McDonald Insurance. Director Machart seconded the motion, which passed unanimously.

RENEWAL OF GARBAGE SERVICE CONTRACT

Ms. Lutz reported the District's contract for garbage services is due to expire November 1, 2009, and requested the Board's consideration to solicit service contracts

from other vendors or renew the District's current contract with WCA. She noted the contract allows for an annual CPI increase and if the District chooses to terminate the contract, either party must give ninety (90) days' notice to the other party. The Board concurred to retain the current contract with WCA and took no further action on this matter.

REPORT ON MASTER DISTRICT MATTERS

Ms. Lutz reported on the status of the Master District's purchase of generators and Wastewater Treatment Plant No. 2. She also noted that Sienna Plantation is no longer operating under Stage I Drought Contingency, but instead has implemented a voluntary water conservation plan.

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


Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

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