

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

April 19, 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 Machart and Farrar, thus constituting a quorum.

Also present at the meeting were the following: Brad Koehl of Texas Services; Ltd. ("Texas Services"); Cynthia Kelsch of Klotz & Associates ("Klotz"); Robbie McGinnis 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 March 22, 2010 and April 5, 2010. After review and discussion, Director Morrell moved to approve the minutes of the meeting held March 22, 2010 and April 5, 2010. Director Kroboth seconded the motion, which carried by unanimous vote.

RECEIVE PUBLIC COMMENTS

No public comments were presented or received by the Board.

ENGAGE COMPANY TO CONDUCT ARBITRAGE REBATE STUDY FOR SERIES 2000 AND 2005 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 2000 and 2005 bonds. She stated that such analysis begins on the fifth anniversary of the issuance of the bonds and the cost for preparation of the arbitrage report is \$5,000 for each issue. Following review and discussion, Director Morrell moved

to approve the proposal from OmniCap, LLP as presented and authorize them to prepare an arbitrage rebate analysis on the District's Series 2000 and 2005 Bonds. Director Kroboth seconded the motion, which passed 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 Kroboth 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 carried by unanimous vote. A copy of the bookkeeper's report is attached.

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

Ms. McGinnis presented and reviewed the tax assessor/collector's report, a copy of which is attached. She stated that 96.19% of the District's 2009 tax levy had been collected as of today's meeting. Following review and discussion, Director Kroboth 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 Morrell seconded the motion, which carried by unanimous vote.

REPORT FROM TEXAS SERVICES LTD.

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 Morrell moved to authorize repairs at 8611 North Fitzgerald and 9610 South Fitzgerald, as more fully described in the Maintenance Report. Director Kroboth seconded the motion, which was approved by unanimous vote.

ENGINEERING MATTERS

Ms. Kelsch presented written recommendations to the Board for approval and acceptance of the Primary Collector Ditch and Unmaintainable Cul-de-Sac Piping Project and Steep Bank Village Ditch Project, Phase III (individually "Piping Project" and "Phase III Project" and, collectively, the "Projects"). Ms. Lutz reviewed the letters of recommendation from Klotz, specifically noting that an overall final walkthrough will be conducted in August 2010 for the Phase III Project, which is one month before the Maintenance Bond is due to expire. She then noted that an overall final walkthrough will be conducted in November 2010 for the Piping Project. The Maintenance Bond is not due

to expire until January 2-11, but November 2010 is a month before the one year maintenance period required by the City of Missouri City.

Ms. Kelsch then discussed outstanding open items with the Projects. She first discussed repairing the culvert at 9414 N. Fitzgerald Way. Mr. Wilson reported that repair of culverts at this address was performed by SWWC. She confirmed with the Board that no further action is required of Klotz on this matter. She next reported on an open item at 8914 N. Fitzgerald, where the property owner is dissatisfied with the raised level of sod covering an inlet connection near the driveway. Ms. Kelsch confirmed the contractor constructed the facility in accordance with the engineered plans and confirmed the facility is draining and functioning properly. The Board concurred that no further action is required for this address.

The Board then inquired about issues at 8615 N. Fitzgerald where the inlet is higher than the area and Mr. Ramsey previously reported that he will coordinate with the contractor to implement modifications to resolve issue. It was noted that Paskey is the contractor. Ms. Kelsch stated that she will coordinate with Mr. Ramsey regarding the status of a resolution to this issue. Mr. Parsons next discussed a resident's complaint regarding sprinkler system in which it was determined that a cord was cut as a result of construction at 8519 N. Fitzgerald and inquired about reimbursement to property owner for repair. Discussion ensued regarding the property owner's submittal of invoices for the cost for repairs.

Following discussion and based on the engineer's recommendation, Director Kroboth moved to approve the engineer's letters of recommendation to accept the Phase III Project and the Piping Project. Director Morrell seconded the motion, which passed by unanimous vote.

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 1,785 connections in the District and there are no regulatory issues for the month. Mr. Wilson stated that water accountability for last month was 97.42%. He reported on maintenance and repair items performed within the District since the last meeting and the District backcharge list. Director Morrell moved to approve the operator's report, as presented. The motion was seconded by Director Kroboth, and carried by unanimous vote.

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 Morrell moved to terminate the delinquent accounts in accordance with the District' Rate Order. Director Kroboth seconded the motion, which carried by unanimous vote.

APPROVE CONSUMER CONFIDENCE REPORT AND AUTHORIZE OPERATOR TO MAIL CONSUMER CONFIDENCE REPORT AND FILE CERTIFICATE OF MAILING WITH THE TEXAS COMMISSION ON ENFIRONMENTAL QUALITY

Mr. Wilson next discussed and reviewed a draft of the Consumer Confidence Report, a copy of which is attached. Following discussion Director Kroboth moved to approve the Consumer Confidence Report. Director Morrell seconded the motion, which passed by unanimous vote.


CONDUCT ANNUAL REVIEW AND RECEIVE REPORT FROM OPERATOR ON IDENTITY THEFT PREVENTION PROGRAM AND ADOPT IDENTITY THEFT PREVENTION PROGRAM AMENDMENT

Mr. Wilson, in compliance with the District's Identity Theft Prevention Program, distributed and reviewed an Annual Red Flag Compliance Report, a copy is attached. He also stated there are no recommendations for any amendments to the current program. No action was requested or taken by the Board.

MASTER DISTRICT MATTERS

Ms. Lutz reported that the surface water is scheduled for delivery in the Fall of 2011 and the Master District will fluoridate the water received from the Surface Water Treatment Plant prior to delivery to residents. She next reported on discussions related to generators for emergency power to the District's facilities.

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


Secretary, Board of Directors



ACTION ITEMS

1. Klotz to provide an update to the Board regarding the status of a resolution about issues at 8615 N. Fitzgerald where the inlet is higher than the area.

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