

## **MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF SANITARY AND IMPROVEMENT DISTRICT NO. 165 OF SARPY COUNTY, NEBRASKA**

The meeting of the Board of Trustees of Sanitary and Improvement District No. 165 of Sarpy County, Nebraska was convened in open and public session at 12:30 P.M. on September 7, 2016 at 11440 West Center Road, Omaha, Nebraska.

Present at the meeting were Trustees Patrick Oman & Dawn Stock and James Sheppard. John Grund was absent. Also present was John H. Fullenkamp, attorney for the District, E&A Consulting Group, engineer for the District and Kuehl Capital Corporation, the District's Financial Advisor and Fiscal Agent.

Notice of the meeting was given in advance thereof by publication in The Bellevue Leader on August 31, 2016. A copy of the Proof of Publication is being attached to these minutes. Notice of the meeting was simultaneously given to all members of the Board of Trustees and a copy of their Acknowledgment of Receipt of Notice is attached to these minutes. Availability of the agenda was communicated in the published notice and in the notice to the Trustees of this meeting. All proceedings of the Board were taken while the convened meeting was open to the attendance of the public.

The Chairman informed the Trustees that John Grund, Clerk of the District, was absent and Patrick Oman was appointed as acting Clerk for the purpose of the meeting.

The Clerk then certified that notice of this meeting had been given to the Sarpy County Clerk at least seven days prior to the time set by the Board of Trustees for this meeting and filed her Certificate to that effect, said Certificate being attached to these minutes and made a part hereof by this reference.

The Chairman publicly stated to all in attendance that a current copy of the Nebraska Open Meetings Act was available for review and indicated the location of such copy in the room where the meeting was being held. The Chairman then presented the proposed budget of the District and advised that the Budget Summary had been published in The Bellevue Leader, a legal newspaper of Sarpy County, Nebraska, on August 31, 2016, a copy of the Proof of Publication being attached to these minutes.

The Chairman then advised that no property owners in the District appeared at this hearing on the proposed budget and Budget Summary to offer support, opposition, criticism, suggestions or observations concerning the proposed budget. The Chairman noted that the

budget complies with the current provisions of the Nebraska Lid Law, and that the property taxes for the General Fund and Bond Fund are as follows:

General Fund	\$62,764.43	\$0.350000
Bond Fund	\$69,937.50	\$0.390000
Total	\$132,701.93	\$0.740000

The Chairman further stated that the Board is required to hold a separate Special Public Hearing in order to set the 2016/17 Property Tax Request at an amount which is different from the prior year's tax request, and that the District has until October 13 to file with the County Clerk a resolution setting a tax request different from the prior year. The District must also publish notice of the Special Public Hearing reflecting the date and time for said Special Public Hearing, and the Chairman noted that such notice had been published as reflected in the Proof of Publication attached hereto.

The Chairman then advised that the meeting was now open for a Special Public Hearing on the issue of setting the Property Tax Request at an amount different from the prior year's request as required by Neb. Rev. Stat. §77-1601.02. The Chairman advised that no one appeared in opposition. Following discussion, the Chairman then declared the public hearing on the budget and the Special Public Hearing to be closed, whereupon, a motion was duly made, seconded and the following resolutions passed:

BE IT RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 165 of Sarpy County, Nebraska that the budget be and hereby is adopted as proposed; and

BE IT FURTHER RESOLVED that the 2016/17 Property Tax Request for the General Fund and Bond Fund be set as follows:

General Fund	\$62,764.43	\$0.350000
Bond Fund	\$69,937.50	\$0.390000
Total	\$132,701.93	\$0.740000

BE IT FURTHER RESOLVED that the Clerk be and hereby is authorized and directed on behalf of the District to file or cause to be filed a copy of the Budget and Property Tax Request as adopted by the Board of Trustees with the County Clerk and Auditor of Public Accounts on or before September 20, 2016.

Then, upon, a motion duly made, seconded and unanimously adopted, the Chairman declared the above resolutions duly carried and adopted.

The Chairman then presented the following statements for payment from the General Fund Account of the District and the Clerk was directed to attach a copy of said statement to these minutes.

a)	Omaha Public Power District for lift station energy (Acct No. 0523000010).	\$1,091.29
b)	Lengemann & Associates, P.C., for preparation of budget and audit.	6,250.00
c)	Sun Daze for mowing (#4235, 4269, 4305 and 4340).	2,320.00
d)	HTM Sales, Inc., for lift station services (#16-22082- 4, 5, 6, 7, 8 9 and 10).	2,709.91
e)	Chastain Otis for policy renewals (#27028).	2,681.00
f)	<del>E&amp;A Consulting Group for engineering services (#132046, 132047, 132362, 132363, 132873, 133442, 133443 and 133575).</del> Deferred	4,561.10
g)	<del>Fullenkamp, Doyle &amp; Jobeun legal services and reimbursement of expenses.</del> Deferred	9,686.77
h)	NL&L Concrete, Inc., for street sweeping (#16165).	375.00
i)	Stanek Construction for traffic control sign maintenance (#16-055).	310.00
j)	National Concrete Cutting, Inc., for grinding down 1 location at inlet within the District (#44217).	1,200.00
	<b>Total</b>	<b>\$31,185.07</b>

The Chairman then presented the following statements for payment from the Construction Fund Account of the District and the Clerk was directed to attach a copy of said statement to these minutes.

a)	Vierregger Electric Co., for 2015 Lift Station Generator (Pay Est. No. 3 & final).	\$5,536.69
	<b>Total</b>	<b>\$5,536.69</b>

The Chairman then presented the following statements for payment from the General Fund Account of the District and the Clerk was directed to attach a copy of said statement to these minutes.

a)	B&W Company, Inc., for concrete services (#19476).	\$19,644.10
	<b>Total</b>	<b>\$19,644.10</b>

The Chairman then presented the following statements for payment from the Construction Fund Account of the District and the Clerk was directed to attach a copy of said statement to these minutes.

a)	Kuehl Capital Corporation for 2016/2017 Financial Advisor and Fiscal Agent Services (#1620).	\$3,000.00
b)	Bankers Trust for paying administration fees and disclosure fees (#26131 and 26132).	750.00
<b>Total</b>		<b>\$3,750.00</b>

Then, upon a motion duly made, seconded and upon a roll call vote of “aye” by the Trustees, the following Resolutions were unanimously adopted:

RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 165 of Sarpy County, Nebraska that the Chairman and Clerk be and they hereby are authorized and directed to execute and deliver Warrants No. 1001 through 1014, of the District, dated the date of this meeting, to the following payees, for the following services and in the following amounts, said warrants to draw interest at the rate of 7% per annum, Warrants No. 1001 through 1010 and Warrant No. 1012 to be payable from the General Fund Account of the District and to be redeemed no later than three (3) years of the date hereof, being September 7, 2019 (the “General Fund Warrants”), and Warrants No. 1011, 1013 and 1014 to be payable from the Construction Fund Account of the District (interest payable on February 1<sup>st</sup> of each year) and to be redeemed no later than five (5) years of the date hereof being September 7, 2021 (the “Construction Fund Warrants”), subject to extension of said maturity date by order of the District Court of Sarpy County, Nebraska after notice is given as required by law, to-wit:

- a) Warrant No. 1001 for \$1,091.29 payable to Omaha Public Power District for lift station energy.
- b) Warrant No. 1002 for \$6,250.00 payable to Lengemann & Associates, P.C., for preparation of budget and audit.
- c) Warrant No. 1003 for \$2,320.00 payable to Sun Daze for mowing.
- d) Warrant No. 1004 for \$2,709.91 payable to HTM Sales, Inc., for lift station services
- e) Warrant No. 1005 for \$2,681.00 payable to Chastain Otis for policy renewals.
- f) ~~Warrant No. 1006 for \$4,561.10 payable to E&A Consulting Group for engineering services. Deferred~~
- g) ~~Warrant No. 1007 for \$9,686.77 payable to Fullenkamp, Doyle & Jobeun legal services and reimbursement of expenses. Deferred~~
- h) Warrant No. 1008 for \$375.00 payable to NL&L Concrete, Inc., for street sweeping.

- i) Warrant No. 1009 for \$310.00 payable to Stanek Construction for traffic control sign maintenance.
- j) Warrant No. 1010 for \$1,200.00 payable to National Concrete Cutting, Inc., for grinding down 1 location at inlet within the District (#44217).
- k) Warrant No. 1011 for \$5,536.69 payable to Vierregger Electric Co., for 2015 Lift Station Generator.
- l) Warrant No. 1012 for \$19,644.10 payable to B&W Company, Inc., for concrete services.
- m) Warrant No. 1013 for \$3,000.00 payable to Kuehl Capital Corporation for 2016/2017 Financial Advisor/Fiscal Agent Services.
- n) Warrant No. 1014 for \$750.00 payable to Bankers Trust for paying administration fees and disclosure fees.

BE FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 165 of Sarpy County, Nebraska, that the District hereby finds and determines and covenants, warrants and agrees as follows in connection with the issuance of the Construction Fund Warrants: (i) the improvements and/or facilities being financed by the Construction Fund Warrants are for essential governmental functions and are designed to serve members of the general public on an equal basis; (ii) all said improvements have from the time of their first acquisition and construction been owned, are owned and are to be owned by the District or another political subdivision; (iii) to the extent special assessments have been or are to be levied for any of said improvements, such special assessments have been or are to be levied under Nebraska law as a matter of general application to all property specially benefited by said improvements in the District; (iv) the development of the land in the District is for residential or commercial use and the development of the land in the District for sale and occupation by the general public has proceeded and is proceeding with reasonable speed; (v) other than any incidental use of said improvements by a developer during the initial period of development of said improvements, there have been, are and will be no persons with rights to use such improvements other than as members of the general public; (vi) none of the proceeds of said Construction Fund Warrants have been or will be loaned to any private person or entity; and (vii) and the District does not reasonably expect to sell or otherwise dispose of said improvements and/or facilities, in whole or in part, prior to the last maturity of the Construction Fund Warrants.

BE IT FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 165 of Sarpy County, Nebraska that the District covenants and agrees concerning the Construction Fund Warrants that: (i) it will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Construction Fund Warrants and (ii) it will not use or permit the use of any proceeds of the Construction Fund Warrants or any other funds of the District nor take or permit any other action, or

fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Construction Fund Warrants. In addition, the District will adopt such other resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Construction Fund Warrants will remain excluded from federal gross income, to the extent any such actions can be taken by the District.

The District covenants and agrees that (i) it will comply with all requirements of Section 148 of the Code to the extent applicable to the Construction Fund Warrants, (ii) it will use the proceeds of the Construction Fund Warrants as soon as practicable and with all reasonable dispatch for the purposes for which the Construction Fund Warrants are issued, and (iii) it will not invest or directly or indirectly use or permit the use of any proceeds of the Construction Fund Warrants or any other funds of the District in any manner, or take or omit to take any action, that would cause the Construction Fund Warrants to be “arbitrage bonds” within the meaning of Section 148(a) of the Code.

The District covenants and agrees that it will pay or provide for the payment from time to time of all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any Regulations applicable to the Construction Fund Warrants from time to time. This covenant shall survive payment in full of the Construction Fund Warrants. The District specifically covenants to pay or cause to be paid to the United States, the required amounts of rebatable arbitrage at the times and in the amounts as determined by reference to the Code and the Regulations. Pursuant to the “small issuer exception” set forth below, the District does not believe the Construction Fund Warrants will be subject to rebate.

The District covenants and agrees that (to the extent within its power or direction) it will not use any portion of the proceeds of the Construction Fund Warrants, including any investment income earned on such proceeds, directly or indirectly, in a manner that would cause any Construction Fund Warrant to be a “private activity bond”.

The District makes the following representations in connection with the exception for small governmental units from the arbitrage rebate requirements under Section 148(f) (4) (D) of the Code:

(i) the District is a governmental unit under Nebraska law with general taxing powers;

(ii) none of the Construction Fund Warrants is a private activity bond as defined in Section 141 of the Code;

(iii) ninety-five percent or more of the net proceeds of the Construction Fund Warrants are to be used for local governmental activities of the District;

(iv) the aggregate face amount of all tax-exempt obligations (other than “private activity bonds,” but including any tax-exempt lease-purchase agreements) to be issued by the District during the current calendar year is not reasonably expected to exceed \$5,000,000; and

(v) the District (including all subordinate entities thereof) will not issue in excess of \$5,000,000 of tax-exempt indebtedness (other than “private activity bonds,” but including any tax-exempt lease-purchase agreements) during the current calendar year without first obtaining an opinion of nationally recognized counsel in the area of municipal finance that the excludability of the interest on the Construction Fund Warrants from gross income for federal tax purposes will not be adversely affected thereby.

BE IT FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 165 of Sarpy County, Nebraska that the District hereby covenants, warrants and agrees that to the extent that it may lawfully do so, the District hereby designates the Construction Fund Warrants as its “qualified tax exempt obligations” under Section 265(b)(3)(B)(i)(III) of the Code.

BE IT FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 165 of Sarpy County, Nebraska that this and the preceding Resolutions are hereby adopted as the Certificate with Respect to Arbitrage of the District pertaining to the Construction Fund Warrants and the District hereby further certifies, as of the date of the registration of the Construction Fund Warrants with Sarpy County, Nebraska as follows:

1. The District reasonably anticipates that a portion of the monies in its Bond Fund will be expended for payment of principal of and interest on the bonds and/or construction fund warrants of the District within 12 months after receipt of such monies. The District hereby establishes a reserve fund within its Bond Fund in connection with the issuance of the Construction Fund Warrants in the amount equal to the least of (i) 10% of the stated principal amount of the Construction Fund Warrants, (ii) the maximum annual debt service due on the Construction Fund Warrants during any fiscal year, or (iii) 125% of the average annual debt service for the Construction Fund Warrants over the term of such warrants. That amount that is currently held in the District’s Bond Fund which exceeds the amount to be expended for payment of principal and interest on the

bonds and/or construction fund warrants of the District within 12 months after receipt of such monies, plus that amount arrived at pursuant to the immediately preceding sentence, will not be invested in any securities or any other investment obligations which bear a yield, as computed in accordance with the actuarial method, in excess of the yield on the Construction Fund Warrants.

2. To the best of their knowledge, information, and belief, the above expectations are reasonable.
3. The District has not been notified of any listing of it by the Internal Revenue Service as an issuer that may not certify its debt.
4. This Certificate is being passed, executed and delivered pursuant to Section 1.148-2 (b) (2) of the Income Tax Regulations under the Code (the “**Regulations**”).

BE IT FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 165 of Sarpy County, Nebraska the District hereby authorizes and directs the Chair or Clerk to file or cause to be filed, when due, an information reporting form pursuant to Section 149(e) of the Internal Revenue Code of 1986, as amended (the “**Code**”), pertaining to the Construction Fund Warrants and the General Fund Warrants;

No opinion of nationally recognized counsel in the area of municipal finance has been delivered with respect to the treatment of interest on the General Fund Warrants. Purchasers of the General Fund Warrants are advised to consult their tax advisors as to the tax consequences of purchasing or holding the General Fund Warrants.

The attorney then presented to the Board a disclosure letter from the District’s Financial Advisor for existing Municipal Advisor Agreements which is in response to the Municipal Securities Rulemaking Board’s enactment of Rule G-42 (Duties of Non-Solicitor Municipal Advisors), which is required under the terms of the contract between Sanitary and Improvement District No. 165 and Kuehl Capital Corporation. The Financial Advisor then advised the Board that this letter in no way changes the terms of the District’s contract with Kuehl Capital; it merely provides additional clarity of our relationship as regulations change and evolve. A copy of the letter has been attached to these minutes.

The attorney for the District then advised the board that due to low funds in the District’s General Fund account he directed the board members to defer warrants 1006 and 1007 until April 2017 when the District receives their midyear tax disbursement.

Then, upon a motion duly made, seconded and upon a roll call vote of “aye” by the Trustees, General Fund warrants 1006 and 1007 have been deferred.

*{Signatures on the following page}*

## AGENDA

Sanitary and Improvement District No. 165 of Sarpy County, Nebraska; Meeting to be held September 7, 2016

1. Present Budget, vote on and approve same; conduct special public hearing to set tax request at a different amount than the prior year.
2. Present statements, vote on and approve payment from the General Fund Account of the District for the following:

a)	Omaha Public Power District for lift station energy (Acct No. 0523000010).	\$1,091.29
b)	Lengemann & Associates, P.C., for preparation of budget and audit.	6,250.00
c)	Sun Daze for mowing (#4235, 4269, 4305 and 4340).	2,320.00
d)	HTM Sales, Inc., for lift station services (#16-22082- 4, 5, 6, 7, 8 9 and 10).	2,709.91
e)	Chastain Otis for policy renewals (#27028).	2,681.00
f)	<del>E&amp;A Consulting Group for engineering services (#132046, 132047, 132362, 132363, 132873, 133442, 133443 and 133575).-Deferred</del>	4,561.10
g)	<del>Fullenkamp, Doyle &amp; Jobeun legal services and reimbursement of expenses. Deferred</del>	9,686.77
h)	NL&L Concrete, Inc., for street sweeping (#16165).	375.00
i)	Stanek Construction for traffic control sign maintenance (#16-055).	310.00
j)	National Concrete Cutting, Inc., for grinding down 1 location at inlet within the District (#44217).	1,200.00

**Total            \$31,185.07**

3. Present statements, vote on and approve payment from the Construction Fund Account of the District for the following:

a)	Vierregger Electric Co., for 2015 Lift Station Generator (Pay Est. No. 3 & final).	\$5,536.69
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**Total            \$5,536.69**

3. Present statements, vote on and approve payment from the General Fund Account of the District for the following:

a)	B&W Company, Inc., for concrete services (#19476).	\$19,644.10
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**Total**            **\$19,644.10**

4. Present statements, vote on and approve payment from the Construction Fund Account of the District for the following:

- a) Kuehl Capital Corporation for 2016/2017 Financial Advisor and Fiscal Agent Services (#1620).            \$3,000.00
- b) Bankers Trust for paying administration fees and disclosure fees (#26131 and 26132).            750.00

**Total**            **\$3,750.00**

4. Present disclosure letter for the existing Municipal Advisor Agreement between Kuehl Capital Corporation and SID #165.