

**MINUTES OF MEETING OF BOARD OF TRUSTEES
OF SANITARY AND IMPROVEMENT DISTRICT NO. 189
OF SARPY COUNTY, NEBRASKA**

A meeting of the Board of Trustees of Sanitary and Improvement District No. 189 of Sarpy County, Nebraska, was convened in open and public session at 9:30 a.m. on September 14, 2012, at 10064 South 134 Street, Omaha, Nebraska. Present were: Trustees Rudolph R. Mudra, Carolyn T. Mudra, William J. Whitmore and Bruce Meyers. Absent: Trustee Mary L. Blair. Also present were John Kuehl of D.A. Davidson & Co. and Attorney James F. Kasher.

Notice of the meeting was given in advance thereof by publication in *The Papillion Times*, Papillion, Nebraska, on September 5, 2012, a copy of the Proof of Publication being attached to these minutes. Notice of this meeting was sent to the Sarpy County Clerk, Papillion, Nebraska, not less than seven (7) days prior to the date of this meeting. Notice of this 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 undersigned Clerk hereby certifies that these minutes were written and available for public inspection within ten (10) working days after the date of said meeting.

After calling the meeting to order and completion of roll call, 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 directed the Board's attention to Agenda Item No. 3, Engineer's Report.

The Board reviewed and discussed proposals from contractors for the 2012 paving maintenance project. The low bid was submitted by Swain Construction Inc. of Omaha, Nebraska, in the sum of \$22,900.00. The Engineer stated that Swain Construction is a qualified contractor and recommended that a contract be awarded to it. Due to the fact that the proposals came in at a higher cost than was anticipated, it was the consensus of the Board that only a portion of the recommended maintenance and repair work should be performed at this time. Thereupon, the following resolution was duly moved by Trustee Bruce Meyers and seconded by Trustee Rudolph R. Mudra, to-wit:

BE IT RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 189 of Sarpy County, Nebraska, that the bid submitted by Swain Construction, Inc. for 2012 Paving Repair, be and hereby is accepted to the extent of work that can be performed at a cost not to exceed \$19,800; that the Chairman and Clerk be and hereby are authorized to enter into a written contract in the foregoing amount with said contractor on behalf of the District, provided that said contractor furnish the certificate of

insurance and the bonds required by the specifications for the project.

On roll call on the foregoing resolution, the following Trustees voted aye: Rudolph R. Mudra, Carolyn T. Mudra, William J. Whitmore and Bruce Meyers; voting nay thereon were the following Trustees: None. The Chairman then declared said resolution duly carried and adopted.

The Chairman directed the Board's attention to Agenda Item No. 4, 2012-2013 Budget. 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 published notice of this public hearing on the budget had been published in *The Papillion Times* of Papillion, Nebraska, on September 5, 2012, as previously authorized by the Board. He further noted that the proposed budget requires property taxes for the general fund of \$45,846.00 and property taxes for the bond fund of \$382,053.00 and that the proposed budget complies with the current provisions of the Nebraska lid law.

He further stated that the Board is required to hold a separate special public hearing in order to set the 2012-2013 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 submit proof of publication of notice of the special hearing. The Chairman noted that the separate special public hearing is scheduled for 9:45 a.m. on September 14, 2012.

The Chairman then declared the public hearing on the budget to be closed and inquired as to the pleasure of the Board. Thereupon, the following resolutions were duly moved by Trustee Bruce Meyers and seconded by Trustee William J. Whitmore, to-wit:

BE IT RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 189 of Sarpy County, Nebraska, as follows:

THAT the attached budget proposed by the Board at its meeting held on August 22, 2012, is hereby adopted, exactly as proposed; that the 2012-2013 dollar requirement totaling \$427,899.00 is hereby established, \$45,846.00 of said sum to be credited to the District's general fund account, and \$382,053.00 to be credited to the District's bond sinking fund account, such budget requiring a total levy of \$.559999 per \$100 of valuation.

BE IT FURTHER RESOLVED that James F. Kasher, Attorney for the District, be and hereby is directed on behalf of the Board of Trustees to file or cause to be filed said budget and dollar

requirement with the County Board, in care of the County Clerk of this County, and with the State Auditor of Public Accounts, on or before September 20, 2012.

On roll call on the foregoing resolutions, the following Trustees voted aye: Rudolph R. Mudra, Carolyn T. Mudra, William J. Whitmore and Bruce Meyers; voting nay thereon were the following Trustees: None. The Chairman then declared said resolutions duly carried and adopted.

With respect to Agenda Item No. 5, the Chairman recognized Mr. John Kuehl of D.A. Davidson & Co., the District's fiscal agent. Mr. Kuehl explained that the District's 2007 bond issue is now callable, and that the Board should consider calling in said bond issue and reissuing bonds at lower rates. He reviewed various handouts produced for the Board's consideration showing the effect on the District's cash fund and the bond fund levy, along with use of the funds should said bond issue be called and replacement bonds be issued. The following resolutions were duly moved by Trustee Bruce Meyers and seconded by Trustee Carolyn T. Mudra, to-wit:

BE IT RESOLVED by the Chairman and Board of Trustees of Sanitary and Improvement District No. 189 of Sarpy County, in the State of Nebraska as follows:

1. The following General Obligation Bonds issued by Sanitary and Improvement District No. 189 of Sarpy County, in the State of Nebraska, are hereby called for redemption on **November 1, 2012**, at par plus accrued interest to the date fixed for redemption. After said date of call, the bonds shall no longer bear interest.

- (a) General Obligation Bonds, Series 2007, dated September 15, 2007, issued in the original principal amount of Two Million Seven Hundred Eighty Thousand Dollars (\$2,780,000), numbered as shown on the records of First National Bank of Omaha, located in Omaha, Nebraska, in the remaining principal amount of Two Million Six Hundred Eighty Thousand Dollars (\$2,680,000), maturing as follows, are callable at any time, at par and accrued interest and have been called for redemption on November 1, 2012:

SERIES 2007 BONDS

<u>Principal Amount</u>	<u>Maturity September 15,</u>	<u>Interest Rate</u>
\$ 60,000	2013	4.35%
60,000	2014	4.40%
60,000	2015	4.50%

60,000	2016	4.55%
60,000	2017	4.60%
60,000	2018	4.70%
60,000	2019	4.75%
60,000	2020	4.85%
-0-	---	---
370,000	2023	5.05%
420,000	2024	5.10%
440,000	2025	5.15%
470,000	2026	5.20%
500,000	2027	5.20%

2. A copy of this Resolution shall be filed with First National Bank of Omaha, located in Omaha, Nebraska, as Paying Agent and Registrar, who shall cause notice to be sent to holders of Bonds called for redemption in the manner and time as provided in the Resolution authorizing the Series 2007 Bonds all of said filings being made at least 30 days prior to the date fixed for redemption.

FURTHER RESOLVED, that the BOND RESOLUTION, a copy of which is attached to these minutes for identification purposes and by this reference made a part hereof as fully as if set forth verbatim herein, providing for the issuance and sale of fully registered bonds of the District in the aggregate principal amount of \$2,500,000.00, designated as "General Obligation Refunding Bonds, Series 2012 or (the "Series 2012 Refunding Bonds"), be and hereby is approved and adopted.

FURTHER RESOLVED, that First National Bank of Omaha, in Omaha, Nebraska, has been appointed as Paying Agent for payment of principal and interest on Bonds of this District issued November 1, 2012, which appointment is hereby confirmed and ratified, and the County Treasurer of Sarpy County, Nebraska, ex officio treasurer of this District, is hereby authorized and directed to pay, from time to time, to said Paying Agent, from funds of the District, such amounts of money as such Paying Agent shall certify in writing to the County Treasurer as shall be needed for payment of principal and interest on bonds of the District, such certificate of the Paying Agent to show the amounts needed for payment of principal or interest, the date upon which such amount is due, and the date when such transfer shall be made to the Paying Agent by the County Treasurer for each transfer of funds requested by the Paying Agent.

BE IT FURTHER RESOLVED, that the Chairman and Clerk of this District shall certify this resolution to said County Treasurer who may deem this resolution to be a continuing resolution and authorization to make transfers to such Paying Agent, until and unless the County Treasurer is notified of termination of such authority.

On roll call on the foregoing resolutions, the following Trustees voted aye: Rudolph R. Mudra, Carolyn T. Mudra, William J. Whitmore and Bruce Meyers; voting nay thereon were the following Trustees: None. The Chairman then declared said resolutions duly carried and adopted.

The Chairman then directed the Board's attention to Agenda Item No. 6, Payment of Bills, and presented for the Board's consideration the following bills, statements and invoices. After careful review of same and full discussion, the following resolution was duly moved by Trustee Rudolph R. Mudra and seconded by Trustee Carolyn T. Mudra, to-wit:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 189 of Sarpy County, Nebraska, that the Chairman and Clerk be and they hereby are authorized and directed to execute and deliver Warrant 1275 of the District, dated the date of this meeting, to the following payee and in the following amount, said Warrant No. 1275 to be drawn on the General Fund Account of the District and to bear interest at the rate of six percent (6.0%) per annum, (interest to be payable on May 10 of each year, as to the Construction Fund Warrants only), and to be redeemed no later than the dates noted below, subject to extension of said maturity date, (for Construction Fund Warrants only), by order of the District Court of Sarpy County, Nebraska, after notice is given as required by law, to-wit:

GENERAL FUND
(Due September 14, 2015)

No.	Payee	Amount	Purpose
1275	Croker Huck Kasher DeWitt Anderson & Gonderinger, LLC.	\$2,274.10	Invoice #93129 dated 9/12/12, Acct. 453-000

BE IT FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 189 of Sarpy County, Nebraska, that both they and the district hereby find and determine and covenant, warrant and agree as follows: the improvements and/or facilities being financed or refinanced by the above Warrants are for essential governmental functions and are designed

to serve members of the general public on an equal basis; 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; 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; 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; 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; none of the proceeds of said Bonds or any refinanced indebtedness have been or will be loaned to any private person or entity; the District hereby authorizes and directs the Chairperson 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, pertaining to the above Warrants; 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 above Warrants.

BE IT FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 189 of Sarpy County, Nebraska, that the District hereby covenants, warrants and agrees as follows: (a) to take all actions necessary under current federal law to maintain the tax exempt status (as to taxpayers generally) of interest on the above Warrants; and (b) to the extent that it may lawfully do so, the District hereby designates the above Warrants as its "qualified tax exempt obligations" under Section 265(b)(3)(B)(ii) of the Internal Revenue Code of 1986, as amended, and covenants and warrants that the District does not reasonably expect to issue warrants or bonds or other obligations aggregating in the principal amount of more than \$5,000,000 during the calendar year in which the above Warrants are to be issued.

BE IT FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 189 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 above Warrants and the District and the Chairman and Clerk of the District hereby further certify, as of the date of the registration of the above Warrants with the County Treasurer of Sarpy County, Nebraska, as follows:

1. No separate reserve or replacement fund has been or will be established with respect to the above Warrants. The District reasonably anticipates that monies in its Bond Fund reasonably attributable to the above Warrants in excess of the lesser of: (a) 10% of the net principal proceeds of the above Warrants, (b) the maximum annual debt service due on the above Warrants, or (c) 125% of average annual debt service due on the above Warrants will be expended for payment of principal of and interest on the above Warrants within 13 months after receipt of such monies. That amount which is currently held in the District's Bond Fund which exceeds the amount which is to be expended for payment of principal and interest on the above Warrants within 13 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 above warrants.

2. To the best of their knowledge, information and belief, the above expectations are reasonable.

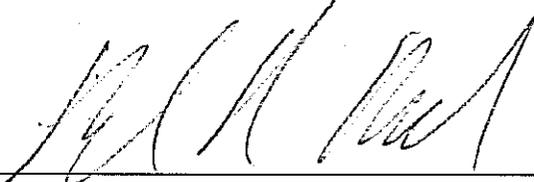
3. The District has not been notified of any listing of it by the Internal Revenue Service as an issuer that may not certify its bonds.

4. This Certificate is being passed, executed and delivered pursuant to Sections 1.148-2(b)(2) of the Income Tax Regulations under the Internal Revenue Code of 1986, as amended.

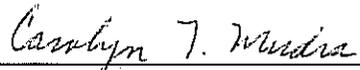
On roll call on the foregoing resolution, the following Trustees voted aye: Rudolph R. Mudra, Carolyn T. Mudra, Bruce Meyers and William J. Whitmore; voting nay thereon were the following Trustees: None. The Chairman then declared said resolution to be duly carried and adopted.

No Miscellaneous Matters were brought to the Board's attention under Agenda Item No. 7.

There being no further business, a motion for adjournment was duly moved, seconded and unanimously carried.



Rudolph R. Mudra, Chairman/Trustee



Carolyn T. Mudra, Clerk/Trustee