

**MINUTES OF MEETING OF SANITARY AND
IMPROVEMENT DISTRICT NO. 204 OF
SARPY COUNTY, NEBRASKA**

A meeting of the Board of Trustees of Sanitary and Improvement District No. 204 of Sarpy County, Nebraska, was convened in open and public session at 2:00 p.m. on August 23, 2011, at 15426 West Center Road, Omaha, Nebraska. Present were: Trustees Troy Blenderman, Stan Baatz, and David L. Miller and; Absent: Trustee Roger Lindsey. Also present were Jason McGill of Massman, Nelson Reinig PC, accountants for the District, and Attorney Robert J. Huck.

Notice of the meeting was given in advance thereof by publication in *The Papillion Times*, Papillion, Nebraska, on August 17, 2011, 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.

Mr. Huck directed the Board's attention to Agenda Item No. 3, Report on Election of Trustees held on September 14, 2010. The Board had previously been provided with copies of the Sarpy County Election Commissioner's certificate of election, a copy of which is attached to these minutes. Elected to the Board were four Trustees: Troy Blenderman, Stan Baatz, David Miller and Roger Lindsey.

Mr. Huck then stated that it was necessary for this newly elected Board to elect two officers, viz., a Chairman and a Clerk, and stated that the Board should now entertain nominations for the offices of Chairman and Clerk. Following discussion, Troy Blenderman was nominated for the office of Chairman, and Stan Baatz was nominated for the office of Clerk. Such nominations being seconded, and there being no further nominations, the following resolution was duly moved and seconded, to-wit:

BE IT RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 204 of Sarpy County, Nebraska, that Troy Blenderman is reelected as Chairman of the District and Stan Baatz is reelected as Clerk of the District, to serve until the next election of Trustees or until their successors are duly elected and qualified.

On roll call on the foregoing resolution, the following Trustees voted aye: Troy Blenderman, Stan Baatz, and David L. Miller; voting nay thereon were the following Trustees: None. The Chairman then declared said resolution to be duly carried and adopted.

Mr. Huck stated that the statutory bonds for the Chairman and Clerk have been filed with the County Clerk. He also presented for each of the Board members an Oath of Office, which each member signed. Mr. Huck stated that he would file their Oaths with the County Clerk as well.

The Chairman directed the Board's attention to Agenda Item No. 4, Engineer's Report.

a. The Board discussed some items of maintenance and repair that may need attention in the spring.

b. The Clerk reported on the Engineer's storm sewer inspection report and recommended items of maintenance. On motion duly made, seconded and unanimously carried, the Clerk was authorized on behalf of the District to arrange for necessary maintenance to be performed.

c. The Board discussed the possible installation of some additional stop signs. The Chairman and Clerk will investigate the matter and were authorized to arrange for installation should the signs be deemed necessary.

The Chairman directed the Board's attention to Agenda Item No. 5, and Mr. Huck reviewed briefly with the Board the proposed renewal of the District's general liability insurance coverage as put together by the Greco Insurance Agency. After further discussion, the following resolution was moved and seconded, to-wit:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 204 of Sarpy County, Nebraska, that the policy of general liability insurance for the period 11/16/10 through 11/16/11 be and hereby is approved; and further, that the Clerk is directed to retain said policy for the District's records.

On roll call on the foregoing resolution, the following Trustees voted aye: Troy Blenderman, Stan Baatz, and David L. Miller; 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. 6, Audit Report for the year ended June 30, 2010. The Clerk presented the audit report which had been prepared by the District's accountants. Attorney Huck was directed to consult with the fiscal agent concerning the possibility of a transfer of funds from the General Fund to the Bond Fund, prepayment of bonds with General Fund cash, and/or a refunding bond issue. Following review, it was duly moved and seconded that the Clerk retain a copy of said report for the District's records.

On roll call on the foregoing resolution, the following Trustees voted aye: Troy Blenderman, Stan Baatz, and David L. Miller; 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. 7, 2011-2012 Budget and Tax Levy. The Board then reviewed and discussed a proposed budget which had been prepared with the assistance of the District's auditors.

Some of the provisions of the budget draft indicated, among other things, the need to raise \$34,940.00 for the General Fund and \$90,101.00 for the Bond Fund, for a total of \$125,041.00. Attorney Huck noted that for 2011-2012 the District is allowed to request up to 2.5% above last year's general fund request. In addition, this budget limit may be exceeded by up to an additional one percent upon the affirmative vote of at least 75 percent of the Board members. There is no special hearing or notice required to consider the additional one percent increase.

The Chairman further noted that the above-noted amount proposed to be raised for the General Fund takes advantage under the provisions of the current lid law of the allowed 2.5% increase and the above-noted additional one percent increase over last year, provided that 75 percent of the Board members vote in favor of such additional increase at the public hearing on the budget. The law requires the District's budget to be filed with the County Board (care of the County Clerk) and the Auditor of Public Accounts on or before September 20, 2011. Notwithstanding this deadline, the Board has until October 13 to vote to establish a tax request different from the prior year, provided that a majority of the Board votes for such approval at a special public hearing, notice of which must be published at least five days prior to the hearing.

The Chairman then indicated that it appeared that the Board should propose the budget at this time as presented. After further discussion and review of the proposed budget items, the following resolution was moved and seconded, to-wit:

RESOLVED, that the Board of Trustees of Sanitary and Improvement District No. 204 of Sarpy County, Nebraska, does herewith propose the budget heretofore filed with the Clerk of the District reflecting the need for property taxes for the General Fund in the amount of \$34,940 and for the Bond Fund in the amount of \$90,101; that the proposed levy for the General Fund does not exceed the maximum increase permitted by the Nebraska Lid Law, but that same will require the approval of a 75 percent majority of the Board; that a hearing on such proposed budget be held on September 15, 2011, at 2:00 p.m. at 15426 West Center Road, Omaha, Nebraska; that public notice of the place and time of such hearing, together with the summary of the proposed budget statement be published in *The Papillion Times* of Papillion, Nebraska, on or before September 7, 2011.

Further resolved, that a special public hearing be held on September 15, 2011, at 2:15 p.m. at 15426 West Center Road, Omaha, Nebraska, for the purpose of establishing a tax request which is different from that of the prior year; that public notice of the place and time of such hearing be published in *The Papillion Times* of Papillion, Nebraska, on or before September 7, 2011.

On roll call on the foregoing resolution, the following Trustees voted aye: Troy Blenderman, Stan Baatz, and David L. Miller; voting nay thereon were the following Trustees: None. The Chairman then declared said resolution duly carried and adopted.

The Chairman then directed the Board's attention to Agenda Item No. 8 and noted that it had been necessary for the Chairman and the Clerk to issue Warrants 613 through 618 since the last Board meeting. After full review of the bills, statements and invoices which had been paid and complete discussion, the following resolution was duly moved and seconded, to-wit:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 204 of Sarpy County, Nebraska, that the action of the Chairman and the Clerk of executing and delivering Warrant Nos. 613 through 618, inclusive, of the District, dated August 8, 2011, to the following payees and in the following amounts, said warrants drawn on the General Fund of the District at the interest rate of seven percent (7.0 %) per annum and to be redeemed no later than the date noted below, is hereby ratified and confirmed:

GENERAL FUND
(Due June 7, 2013)

Warrant Number	Amount	Payee	Purpose
613	\$4,286.84	Omaha Public Power District	Street Lights Service 12/30/10 – 6/29/11 (estimated)
614	\$1,998.00	UNICO Group	Invoices 473886 (gen. liab.), #497104 (E&O) and #469110 (Chairman bond)
615	\$3,450.00	Massman Nelson Reinig PC	Services re 2010-2011 budget and 6/30/10 audit

616	\$297.50	Thomson Dreessen & Dorner Inc.	Invoice 90385 Retainer 9/1/10-8/31/11
617	\$5,000.00	Croker Huck Law Firm	(\$7,000.00 plus costs per stmts dated 12/27/10, 2/15/11, 6/27/11,
618	2,357.77	Croker Huck Law Firm	Acct. 456-

On roll call on the foregoing resolution, the following Trustees voted aye: David L. Miller, Stan M. Baatz, and Troy Blenderman; voting nay thereon were the following Trustees: None. The Chairman then declared said resolution to be duly carried and adopted.

The Chairman then directed the Board's attention to Agenda Item No. 9, Payment of Bills, and presented for the Board's consideration the following statement. After full review of same and complete discussion, the following resolutions were duly moved and seconded, to-wit:

BE IT RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 204 of Sarpy County, Nebraska, that the Chairman and Clerk be and they hereby are authorized and directed to execute and deliver Warrant No. 619 of the District, dated the date of this meeting, to the following payee and in the following amount, said Warrant No. 619 to be drawn on the Construction Fund Account of the District and to bear interest at the rate of seven percent (7%) per annum (interest to be payable on May 1 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:

CONSTRUCTION FUND
(Due August 23, 2016)

1. Warrant No. 619 in the sum of \$500.00 payable to Great Western Bank in payment of statements dated 1/4/11 and 7/6/11, Account No. 6705.

BE IT FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 204 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. 204 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)(i)(III) 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. 204 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 Section 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 resolutions, the following Trustees voted aye: Troy Blenderman, Stan Baatz, and David L. Miller; voting nay thereon were the following Trustees: None. The Chairman then declared said resolutions duly carried and adopted.

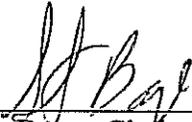
Under Miscellaneous Matters:

- a. The next meeting is scheduled for September 15, 2011, as noted above.
- b. The One Call Member Services Agreement which was authorized by the Board in August 2010 has been delivered to Digger's Hotline of Nebraska.
- c. Bonds of the Chairman and Clerk for the term 11/16/10 to 11/16/12 have been filed with the County Clerk, as evidenced by the receipt attached to these minutes.

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



Stan Baatz, Clerk

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