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 26, 2014, at 15426 West Center Road, Omaha, Nebraska. Present were: Trustees Troy Blenderman, Stan Baatz, and Larry Miller; Absent: Trustees Roger Lindsey and David L. Miller. Also present were Attorney Robert J. Huck and Steve Coash of Massman Nelson Reinig P.C.

Notice of the meeting was given in advance thereof by publication in *The Papillion Times*, Papillion, Nebraska, on August 20, 2014, 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, 2014-2015 Budget and Tax Levy, and presented the proposed budget statement for the District, which had previously been prepared with the assistance of the District's auditors, all in accordance with the Nebraska statutes. The Board reviewed the proposed dollar requirement and the proposed budget documents and accompanying handouts with Mr. Coash, and questions were asked and answered.

Some of the provisions of the budget draft indicated, among other things, the need to raise $36,000 for the General Fund and $103,500 for the Bond Fund, for a total of $139,500. Attorney Huck noted that for 2014-2015, 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 stated 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, 2014. 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 resolutions were 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 $36,000 and for the Bond Fund in the amount of $103,500; 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 11, 2014, 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 3, 2014.
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> Further resolved, that a special public hearing be held on September 11, 2014, 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 3, 2014.

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

The Chairman directed the Board's attention to Agenda Item No. 4, Audit Report for the year ended June 30, 2013. The Clerk presented the audit report which had been prepared by the District's accountants. Following review, it was duly moved and seconded that said report be accepted and that the Clerk retain a copy for the District's records.

On roll call on the foregoing resolution, the following Trustees voted aye: Stan Baatz, Troy Blenderman and Larry 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. 5 for the Engineer's report. The Board reviewed the engineer's storm sewer inspection report dated January 31, 2014. The District's engineer's report states that the suggested repairs are not required to be done immediately. They will probably be done after the engineer performs a street survey and makes recommendations as to needed repairs to the streets.

The Chairman directed the Board's attention to Agenda Item No. 6, Insurance, and Attorney Huck reported on various steps that had been taken with regard to renewal of the Officers and Directors policy due to the change of insurance company. He further informed the Board that the District's general liability policy expires in November of 2014. Discussion was had regarding the requirement from the insurance company to have a maintenance plan in place for the District's sanitary sewer system. The Board discussed having a four year plan implemented by the District's Engineer. After full and complete discussion, the following resolutions were 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 District's Engineer be, and hereby is, authorized and directed to schedule a cleaning of the District's sanitary sewer system at this time.
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> RESOLVED FURTHER that the District's Engineer be, and hereby is, authorized and directed to institute a sanitary sewer maintenance plan which includes cleaning of the District's entire sanitary sewer system every four years.

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

With respect to Agenda Item No. 7, the Chairman reminded the Board that an election of Trustees is scheduled for September 9, 2014. Attorney Huck reported that notice of the election was mailed to all property owners in the District on July 3, 2014, and an affidavit to that effect has been submitted by the Clerk. The Board directed the Clerk to attach said affidavit to these minutes for reference. General discussion was had regarding who had turned in an application to be on the ballot for the upcoming election.

The Chairman then directed the Board's attention to Agenda Item No. 8(a) and noted that it had been necessary for the Chairman and the Clerk to issue Warrants 650 through 655 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. 650 and 651 of the District, dated January 17, 2014, and Warrant Nos. 652 through 654, inclusive, of the District, dated May 30, 2014, 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, and said Warrant No. 655, dated May 30, 2014, to be drawn on the Construction Fund Account 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: is hereby ratified and confirmed:

General Fund
(Due January 17, 2017)

No.		Payee	Amount		Purpose
650		Omaha Public Power District	2,268.59		Street lights service 10/30/13 - 2/28/14 (est.) Acct. #4704100060
651		Massman Nelson Reinig PC	3,550.00		Inv. #34665, budget work and 6/30/13 audit

General Fund
(Due May 30, 2017)

No.		Payee	Amount		Purpose
652		Omaha Public Power District	5,052.76		Street lights service 1/29/14 - 8/29/14 (est.), Acct. #4704100060
653		Cornerstone Insurance Group	1,063.00		Inv. No. 4892, Directors & Officers liability renewal (4/25/14 – 4/24/15)
654		Thompson, Dreessen & Dorner, Inc.	278.95		Inv. No. 103107, engineering services
Construction Fund (Due May 30, 2019)					
655		Bankers Trust	750.00		Inv. Nos. 13499 and 13500, annual administrative fee and disclosure fee

On roll call on the foregoing resolution, the following Trustees voted aye: Stan Baatz, Troy Blenderman and Larry 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. 8(b), Payment of Bills, and presented for the Board's consideration the following bills, statements and invoices. 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 Nos. 656 through 659, inclusive, of the District, dated the date of this meeting, to the following payees and in the following amounts, said Warrant Nos. 656 through 659 to be drawn on the General Fund Account of the District and no warrants to be drawn on the Construction Fund Account 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:

General Fund
(Due August 26, 2017)

No.		Payee	Amount		Purpose
656		Omaha Public Power District	2,920.00		Street lights service 9/29/14 - 12/29/14 (est.) Acct. #4704100060
657		Cornerstone Insurance Group	340.00		Inv. No. 5032, renewal bonds for Chairman and Clerk
658		Croker Huck Kasher DeWitt Anderson & Gonderinger LLC	5,000.00		Inv. No. 102232-1 and 102232-2, Acct. No. 456-0
659		Croker Huck Kasher DeWitt Anderson & Gonderinger LLC	2,272.39		Inv. No. 102232-1 and 102232-2, Acct. No. 456-0

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 resolution, the following Trustees voted aye: Stan Baatz, Troy Blenderman and Larry Miller, voting nay thereon were the following Trustees: None. The Chairman then declared said resolution duly carried and adopted.

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

Stan Baatz, Clerk

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