

**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 3:00 p.m. on August 24, 2015, at 15426 West Center Road, Omaha, Nebraska. Present were: Trustees Troy Blenderman, Stan Baatz, and David L. Miller; Absent: None. Also present were Attorney Robert J. Huck, Steve Coash of Massman Nelson Reinig P.C., Ed Miller, and four representatives of a property owner in the District.

Notice of the meeting was given in advance thereof by publication in *The Papillion Times*, Papillion, Nebraska, on August 19, 2016, 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, Attorney Huck 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 9, 2014. 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: Troy Blenderman, Stan Baatz, Larry Miller and David Miller. Unfortunately, Larry Miller was killed in a traffic accident since the election. Attorney Huck informed the Board that the Board will be able to operate with only three trustees; however, consideration should be made of appointing an additional trustee. Ed Miller, Larry Miller's son, agreed to consider accepting an appointment to the Board. This matter will be addressed at the next board meeting.

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, Audit Report for the year ended June 30, 2014. 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 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. 5, 2015-2016 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 requirements 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 2015-2016, 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, 2015. 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 8, 2015, at 3:00 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 2, 2015.

Further resolved, that a special public hearing be held on September 8, 2015, at 3:15 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 2, 2015.

On roll call on the foregoing resolutions, the following Trustees voted aye: Stan Baatz, Troy Blenderman and David L. 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. 6, Maintenance, and the following transpired:

- a. Sanitary Sewer Cleaning. Attorney Huck reported that the sanitary sewer mains had been cleaned in February of 2015 by Utilities Service Group and the invoice for this work has been paid.
- b. Storm Sewer Inspection Report. The Board reviewed a copy of the Storm Sewer Inspection Report which had been prepared by the District's Engineer at the request of the Sarpy County Administrator. The Clerk informed the Board that he had arranged to have the necessary work taken care of.

The Chairman then directed the Board's attention to Agenda Item No. 7, Report on Renewal of General Liability Insurance and of Directors and Officers Liability Insurance. Attorney Huck reviewed briefly with the Board the renewal of the District's general liability insurance coverage and directors and officers insurance coverage as provided by Cornerstone Insurance Group. The premium for the renewal of the general liability coverage is \$653.00. The premium for the renewal of the directors and officers coverage is \$1,127.00. Attorney Huck informed the Board that these invoices had been paid since the last meeting and issuance of the warrants would be ratified at this meeting. 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 of 11/19/14 through 11/19/15 be and hereby is approved; and further, that the Clerk is directed to retain said policy for the District's records.

RESOLVED FURTHER that the policy of directors and officers insurance for the period of 4/25/15 through 4/25/16 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 resolutions, the following Trustees voted aye: Stan Baatz, Troy Blenderman and David L. Miller, voting nay thereon were the following Trustees: None. The Chairman then declared said resolutions duly carried and adopted.

With regard to Agenda Item No. 8, Sale of Valley Ridge Business Park Lots, four representatives of three vacant lots were present. They went over their plans to build a regional Mack Truck dealership on the three lots they own. They presented to the Board various pictorial representations of the proposed building(s). They indicated they would have more specific information in three to four weeks and will update the Board at that time.

The Chairman then directed the Board's attention to Agenda Item No. 9(a) and noted that it had been necessary for the Chairman and the Clerk to issue Warrants 660 through 664 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. 660 through 664, inclusive, of the District, dated May 13, 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 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: is hereby ratified and confirmed:

General Fund
 (Due May 13, 2018)

No.	Payee	Amount	Purpose
660	Omaha Public Power District	2,959.27	Street lights service 12/29/14 - 4/29/15, Acct. #4704100060
661	Utilities Service Group	1,012.50	Inv. No. 10680, clean all sewer mains
662	Cornerstone Insurance Group	1,780.00	Inv. No. 152, Directors & Officers liability renewal (4/25/15 – 4/24/16) (\$1,127.00) and General Liability renewal (11/16/14 – 11/16/15) (\$653.00)
663	Massman Nelson Reinig PC	3,550.00	Inv. No. 36327, budget work and 6/30/14 audit
664	Thompson, Dreessen & Dorner, Inc.	1,110.56	Inv. Nos. 107363 and 109189, engineering services

On roll call on the foregoing resolution, the following Trustees voted aye: Stan Baatz, Troy Blenderman 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. 9(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. 665 through 669, inclusive, of the District, dated the date of this meeting, to the following payees and in the following amounts, said Warrant Nos. 665 through 668 to be drawn on the General Fund Account of the District and said Warrant No. 669 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 24, 2018)

No.	Payee	Amount	Purpose
665	Omaha Public Power District	2,187.68	Street lights service 4/29/15 - 7/30/15 Acct. #4704100060
666	Croker Huck Kasher DeWitt Anderson & Gonderinger LLC	5,000.00	Inv. No. 106890-1, Acct. No. 456-0
667	Croker Huck Kasher DeWitt Anderson & Gonderinger LLC	2,000.00	Inv. No. 106890-1, Acct. No. 456-0
668	Croker Huck Kasher DeWitt Anderson & Gonderinger LLC	302.58	Inv. No. 106890-2, Acct. No. 456-0
<u>Construction Fund</u> (Due August 24, 2020)			
669	Bankers Trust Company	750.00	Inv. Nos. 20133 and 20134, annual administrative fee and disclosure fee

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.

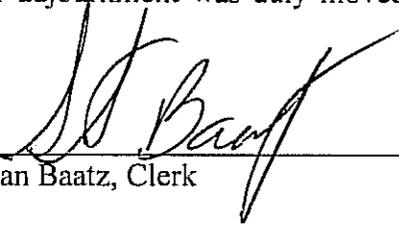
2. To the best of their knowledge, information and belief, the above expectations are reasonable.

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