

MINUTES OF MEETING OF SANITARY AND
IMPROVEMENT DISTRICT NO. 278 OF
SARPY COUNTY, NEBRASKA

A meeting of the Board of Trustees of Sanitary and Improvement District No. 278 of Sarpy County, Nebraska, was convened in open and public session at 9:00 a.m. on September 10, 2014, at 2120 South 72 Street, Suite 1200, Omaha, Nebraska. Present were: Trustees Paul S. McCune, Michelle Zimmerman, Susan McCune, Stacey Holt and Jason McCune; Absent: None. Also present was Attorney Robert J. Huck.

Notice of the meeting was given in advance thereof by publication in *The Gretna Breeze* of Gretna, Sarpy County, Nebraska, on September 3, 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 then directed the Board's attention to Agenda Item No. 3, and presented documentation received from Lutz & Company, P.C., the District's Auditor, concerning the preparation of the District's 2014-2015 Budget and the audit for fiscal year ended June 30, 2014. The documentation included the following: an engagement letter for the audit of the District; a representation letter prepared by Lutz & Company, PC for execution by the Board of Trustees regarding the Board's responsibilities concerning providing information to the auditor; memo to the Board of Trustees from Lutz & Company, PC concerning the planned timing and scope of audit (Planning SAS 114 Letter) and communication of responsibilities and findings (Final SAS Letter); a legal letter (prepared by Lutz & Company, PC) addressed to the District's Attorney to be signed on behalf of the Board, requesting that the District's Attorney provide a legal response letter to the Auditor, outlining any litigation, claims or assessments involving the District that the Attorney is aware of.. Copies of these documents are attached to these minutes for reference. After full review of said documents and discussion thereon, the following resolution was duly moved and seconded, to-wit:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 278 of Sarpy County, Nebraska, that the the District's Chairman and Clerk be, and hereby are, authorized

and directed to execute the the management representation letter prepared by its auditors in connection with the audit for the year ended June 30, 2014, on behalf of the District.

FURTHER RESOLVED that the Chairman is directed to execute the legal letter (prepared by Lutz & Company, PC) addressed to the District's Attorney to be signed on behalf of the Board, requesting that the District's Attorney provide a legal response letter to the Auditor, outlining any litigation, claims or assessments involving the District that the Attorney is aware of

On roll call on the foregoing resolutions, the following Trustees voted aye: Paul S. McCune, Michelle Zimmerman, Susan McCune, Stacey Holt, and Jason McCune; voting nay thereon were the following Trustees: None. The Chairman then declared said resolutions duly carried and adopted.

The Board then turned its attention to Agenda Item No. 4, 2014-2015 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 Gretna Breeze* of Gretna, Nebraska, on September 3, 2014, as previously authorized by the Board. He further noted that the proposed budget requires property taxes for the general fund of \$8,601.89 and property taxes for the bond fund of \$0.00 and that in accordance with the current provisions of the Nebraska lid law, the lid limitation and levy limit do not apply to the District this year.

He further stated that the Board is required to hold a separate special public hearing in order to set the 2014-2015 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 9:15 a.m. on September 10, 2014.

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 and seconded, to-wit:

BE IT RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 278 of Sarpy County, Nebraska, as follows:

THAT the attached budget proposed by the Board at its meeting held on August 18, 2014, is hereby adopted, exactly as proposed; that the 2014-2015 dollar requirement totaling \$8,601.89 is hereby

established, \$8,601.89 of said sum to be credited to the District's general fund account, and \$0.00 to be credited to the District's bond sinking fund account, such budget requiring a total levy of \$0.90000 per \$100 of valuation.

BE IT FURTHER RESOLVED that Robert J. Huck, 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, 2014.

On roll call on the foregoing resolutions, the following Trustees voted aye: Paul S. McCune, Michelle Zimmerman, Susan McCune, Stacey Holt, and Jason McCune; voting nay thereon were the following Trustees: None. The Chairman then declared said resolutions duly carried and adopted.

With reference to Agenda Item No. 5, Attorney Huck reported that a simultaneous notice of the hearing on the proposed special assessments for the various projects outlined below on each separate piece of property benefitted thereby in the District had been published as authorized by the Board at its meeting held on August 18, 2014, (Proof of Publication of said Notice being attached to these minutes); the Clerk certified that on August 20, 2014, the first publication date of said notice, the County tax rolls did not reveal any owners of property within the assessment district who were non-residents of this county other than those to whom notice was mailed by Certified Mail, return receipt requested, and that handbills of said notice had been posted along the lines of said improvements in the District, and that on August 22, 2014, a copy of the notice had been mailed to each party appearing to have a legal interest in the proceedings (including the Sarpy County Clerk and Kuehl Capital Corp. by Certified Mail) and that the required affidavit of such mailing had been duly executed and filed (said certificate of posting and affidavit of mailing said notice being attached to these minutes).

The Chairman then proposed that the Board sit as a Board of Adjustment and Equalization for the hearing on the proposed assessments against the separate pieces of property in the district for said improvements. The Clerk reported that neither objections to the plat and schedule of proposed assessments for such improvements nor objections to any prior proceedings of the District had been filed with the Clerk within twenty days of August 20, 2014. No one was present at the meeting to voice any objections.

The Board then reviewed the engineer's complete Statements of All Costs and all said improvements, together with a plat of the property and a schedule of the amount proposed to be assessed against each separate piece of property in the District. The total costs and special assessments are as follows:

PROJECT	SPECIAL ASSESSMENTS	GENERAL OBLIGATION	TOTAL COSTS
Sanitary Sewer, Outfall Sewer, Storm Sewer and Paving, Section I	\$619,907.51	\$667,753.03	\$1,287,660.54
Sewer Connection Fees Section I	\$0.00	\$101,111.64	\$101,111.64
Sub-Basin Interceptor Sewer Development Connection Fee	\$0.00	\$15,795.47	\$15,795.47
Water - Section I	\$181,170.34	\$388,266.36	\$569,436.70
Power - Section I	\$73,922.10	\$0.00	\$73,922.10
Interlocal Agreements Between SID 278 and SIDs 176, 192, 240, 255 and 260	\$0.00	\$43,767.98	\$43,767.98
TOTAL	\$874,999.95	\$1,216,694.48	\$2,091,694.43

After discussion, the following resolution was duly moved and seconded:

WHEREAS, complete statements of all costs of certain public improvements and work incidental thereto constructed in Tiburon Ridge, Phase 1, a Subdivision in Sanitary and Improvement District No. 278 of Sarpy County, Nebraska, in connection with the hereinafter identified improvement projects, have been prepared by the engineers for the District, together with plats of the property in the District and schedules of the amounts proposed to be assessed against each separate lot or tract in said subdivision in the District, all of which cost statements, plats and schedules have been duly filed with the Clerk of the Board of Trustees of said District, to-wit: Sanitary Sewer, Outfall Sewer, Storm Sewer and Paving, Section I; Sewer Connection Fees - Section I; Sub-Basin Interceptor Sewer Development Connection Fee; Water - Section I; Power - Section I; and Interlocal Agreements Between SID 278 and SIDs 176, 192, 240, 255 and 260; and

WHEREAS, notice that said statements of costs, plats and schedules were on file in said Clerk's office and that all objections thereto, or to prior proceedings on account of errors, irregularities or inequalities, unless made in writing and filed with the Clerk of said District within twenty days after August 20, 2014 (the date of first publication of said Notice) should be deemed to have been waived, was

given by publication thereof in *The Gretna Breeze*, in Gretna, Nebraska, on, and by mailing true copies of said notice to each property owner in said subdivision in the District subject to special assessments (which notice included the amount proposed to be assessed against the owner's property for the improvements) and also by posting handbills of said notice along the line of the work in said District; notice of said hearing together with copies of said statements of costs, plats and schedules of special assessments were also given by Certified Mail to the Sarpy County Clerk and to the District's fiscal agent, Kuehl Capital Corp., all in the manner and within the time limits provided by law; and

WHEREAS, no objections to the proposed assessments or to any proceedings of the District were filed with the Clerk of the District within twenty days after the first publication of said notice, nor at any time; and

WHEREAS, the Board has approved the statements of costs and schedule;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of Sanitary and Improvement District No. 278 of Sarpy County, Nebraska, find and determine:

1. That the lots or parcels of land in said subdivisions within said District, identified on the schedules attached hereto, were specially benefitted in the amounts shown opposite each lot or parcel number on said schedule, and the amounts of said benefits do not exceed the cost of such portion of the construction of said improvements as are local improvements, and the amount set opposite each lot or parcel on said schedule is an equitable apportionment of the cost of the local improvements between the several lots or parcels in proportion to the special benefits received by each lot or parcel and does not exceed said special benefits.
2. That each of said lots or parcels of land identified on said attached schedule shall be assessed in the amounts shown opposite each lot or parcel number on said schedules of special assessments.
3. That the special assessments shall become due fifty days from the date of levy (September 10, 2014) and may be paid within that time without interest, but if not so paid they shall bear interest from September 10, 2014 and they shall become delinquent in ten equal annual installments. The first installment shall become delinquent one year after date of levy and one installment shall become delinquent on the same date each year thereafter for nine years, and shall bear interest from and after the date of levy at the rate of seven and one-half percent (7.5%) per annum until delinquent, and then at nine and one-half percent (9.5%) per annum thereafter until fully paid.

BE IT FURTHER RESOLVED that said special assessments be and hereby are equalized and apportioned between the several lots or parcels of ground with reference to the benefits resulting from the construction of said improvements and said special assessments are hereby levied upon said several lots or parcels of ground in accordance with the attached schedules of special assessments.

BE IT FURTHER RESOLVED that the Clerk of the District be and hereby is authorized and directed to certify to the County Treasurer and to the County Clerk of Sarpy County, Nebraska, this levy of special assessments upon the lots or parcels of land identified on the schedules attached hereto in the amounts shown opposite each lot number on said schedules, in order that said special assessments may be collected in the same manner as general taxes.

On roll call on the foregoing resolution, the following Trustees voted aye: Paul S. McCune, Michelle Zimmerman, Susan McCune, Stacey Holt, and Jason McCune. 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, Change Order No. 1 for Sanitary Sewer Section 2 – Tiburon Ridge Phase 2 (Pebblebrooke Lift Station Renovation). Attorney Huck presented from the District's Engineer a copy of Change Order No. 1 to the District's contract with Neuvirth Construction, Inc. for Sanitary Sewer Section 2 – Tiburon Ridge Phase 2 (Pebblebrooke Lift Station Renovation). Change Order No. 1 increases the contract price by \$5,396.49. Following discussion, the following resolution was duly moved and seconded, to-wit:

BE IT RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 278 of Sarpy County, Nebraska, that the Chairman of the District is hereby authorized and directed to execute Change Order No. 1 to the District's contract with Neuvirth Construction, Inc. for Sanitary Sewer Section 2 – Tiburon Ridge Phase 2 (Pebblebrooke Lift Station Renovation) on behalf of the District.

FURTHER RESOLVED, that a copy of said Change Order No. 1 be made a part of the records of the District by attaching same to these minutes.

On roll call on the foregoing resolution, the following Trustees voted aye: Paul S. McCune, Michelle Zimmerman, Susan McCune, Stacey Holt, and Jason McCune. 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, Payment of Bills of

the District, and presented for the Board's consideration the following bills, statements and invoices. Thereupon, the following resolutions were duly moved and seconded, to-wit:

BE IT RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 278 of Sarpy County, Nebraska, that the Chairman and Clerk be and they hereby are authorized and directed to execute and deliver Warrant Nos. 373 through 383, inclusive, of the District, dated the date of this meeting, to the following payees and in the following amounts, said Warrant Nos. 373 through 376, inclusive, to be drawn on the General Fund of the District and to draw interest at the rate of seven percent (7%) per annum, and said Warrant Nos. 377 through 383, inclusive, to be drawn on the Construction Fund of the District and to draw interest at the rate of seven percent (7%) per annum (interest to be payable on September 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 September 10, 2017)

373	Lutz & Company, PC	3,000.00	Inv. No. 167557, prepare budget and audit financial statements
374	Lamp Rynearson & Associates	2,525.72	Inv. No. 107018.90-09, engineering services
375	Croker Huck Kasher DeWitt Anderson & Gonderinger, LLC	905.96	Inv. No. 102485, Acct. No. 488-000
376	Kuehl Capital Corporation	160.79	Warrant Structuring fee on Warrant Nos. 373 through 375, inclusive
<u>Construction Fund</u> (Due September 10, 2019)			
377	Ambassador Title Services	600.00	Inv. No. 1385567, title certificates
378	Thiele Geotech, Inc.	962.00	Inv. Nos. 50462 and 50461, Phase 2 Sanitary Sewer and Storm Sewer, Section 1
379	Thiele Geotech, Inc.	5,181.00	Inv. No. 50463, Phase 2 Paving, Section 1
380	Croker Huck Kasher DeWitt Anderson & Gonderinger, LLC	419.39	Inv. No. 102617, Acct. No. 488-001
381	Croker Huck Kasher DeWitt Anderson & Gonderinger, LLC	1,650.00	Inv. No. 102486, Acct. No. 488-003
382	Kuehl Capital Corporation	9,000.00	Financial Advisor/Fiscal Agent Services FY 2014-2015

383	Kuehl Capital Corporation	220.31	Warrant Structuring fee on Warrant Nos. 377 through 381, inclusive
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BE IT FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 278 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 benefitted 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. 278 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 \$10,000,000 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. 278 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.

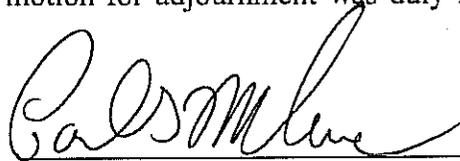
3. The District has not been notified of any listing of it by the Internal Revenue Service as an issuer that may not certify its bonds.

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: Paul S. McCune, Michelle Zimmerman, Susan McCune, Stacey Holt and Jason McCune; voting nay thereon were the following Trustees: None. The Chairman then declared said resolutions to be duly carried and adopted.

With respect to Miscellaneous Matters, Attorney Huck presented a copy of the One Call Concepts, Inc. invoice, a copy of which is attached to these minutes for reference, and informed the Board that this bill has been paid by his law firm and has been or will be included as a cost on the District's invoice.

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



Paul S. McCune, Chairman and Trustee



Michelle Zimmerman, Clerk and Trustee