

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 11:00 a.m. on October 15, 2014, at 2120 South 72nd 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 October 8, 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, 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.

Attorney Huck then directed the Board's attention to Agenda Item No. 3, Election of Trustees held on September 9, 2014. The Board had previously been provided with copies of the County Election Commissioner's certificate of election, a copy of which is attached to these minutes. As the certificate reflects, elected to the Board were Jason McCune, Michelle Zimmerman, Stacey Holt, Susan McCune and Paul McCune.

Mr. Huck then stated that it was necessary for the 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, Paul S. McCune was nominated for the office of Chairman, and Michelle Zimmerman 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. 278 of Sarpy County, Nebraska, that Paul S. McCune is elected as Chairman of the District and Michelle Zimmerman is elected 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: Paul S. McCune, Michelle Zimmerman, Stacey Holt, Jason McCune and Susan McCune; voting nay thereon were the following Trustees: None. The Chairman then declared said resolution to be duly carried and adopted.

Mr. Huck stated that he would procure the statutory bonds for the Chairman and Clerk and file them with the County Clerk. He also presented for each of the Trustees 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 then directed the Board's attention to Agenda Item No. 4, Sanitary Sewer Section 2 – Tiburon Ridge Phase 2 – (Pebblebrooke Lift Station Renovation).

- a. Update on Interlocal Agreement with SID 240. The Chairman reminded the Board that, at its meeting held on August 18, 2014, the Board had reviewed the fact that SID 278 and SID 240 have previously entered into an Interlocal Agreement in January, 2014 and an Addendum thereto in July, 2014, whereby SID 240 agreed to allow SID 278 to connect its sewer system to the sewer system of SID 240. The January, 2014 Interlocal Agreement sets forth various scenarios as to the maintenance, repair and, if necessary, reconstruction of SID 240's sewage lift station which is part of SID 240's sewer system. At the August 18, 2014 meeting, the Board authorized entering into an additional Interlocal Cooperation Agreement with SID 240 to upgrade and renovate SID 240's lift station to accommodate additional platted lots within both SIDs. SID 278 has passed a Resolution of Necessity and taken bids to perform such upgrades to SID 240's lift station. At the time of the August 18, 2014 meeting, both SID 240 and SID 278 desired to proceed with the "alternate bid" submitted by Neuvirth Construction, Inc. and SID 278 agreed to enter into that contract. However, SID 240 has since reconsidered this matter and no longer wishes to proceed with the "alternate bid" option. Due to this fact, no additional Interlocal Agreement with SID 240 regarding the sharing of costs of SID 240's lift station renovation will need to be entered into and the current Interlocal Agreement and Addendum are sufficient.
- b. Reconsider Bids and Award Contract. The Chairman reminded the Board that a Notice to Contractors had been published and bids had previously been received for the renovation of SID 240's lift station. At its July 2, 2014 meeting, the Board had authorized the District's Engineer to provide the bid information to the Board of Trustees of SID 240 to review with regard to the bid alternatives. At the August 18, 2014 Board meeting, based on SID 240's agreement to proceed with the alternate option on the project, the Board accepted the low bid submitted by Neuvirth Construction, Inc., of Blair, Nebraska, in the sum of \$120,994.90 for the alternate bid option. Since that time, SID 240 determined that it does not wish to proceed with the alternative bid option. Therefore the contract with Neuvirth Construction Inc. has been cancelled and all bonds and insurance certificates have been returned to Neuvirth Construction Inc.

The Chairman stated that the Board now needs to reconsider the bids submitted for the base bid. The Engineer's letter dated July 31 2014, setting forth the low base bidder is attached to these minutes for reference. The low base bid was submitted by West-E-Con, of Valley, Nebraska, in the sum of \$67,000.00. The Engineers recommended that said low bid be accepted. After full discussion, the following resolution was duly moved and seconded:

BE IT RESOLVED that the bid submitted by West-E-Con for construction of Sanitary Sewer Section 2 – Tiburon Ridge Phase 2 (Pebblebrooke Lift Station Renovation), in the sum of \$67,000.00, be and hereby is accepted; 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. A copy of said contract will be attached to these minutes for reference once it has been approved.

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 to be duly carried and adopted.

The Chairman directed the Board's attention to Agenda Item No. 5, Engineer's Statement of Completion. The Chairman presented the Engineer's Statement of Completion from Lamp, Rynearson & Associates, Inc., Engineers of the District, certifying that MBC Construction Company has completed the construction of Tiburon Ridge Phase 2 – Paving, Section 1 in substantial compliance with the plans and specifications, and recommending final payment. After discussion, the following Section 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 Board does hereby accept and approve Tiburon Ridge Phase 2 – Paving, Section 1; further, the Clerk is directed to attach the Engineer's Statement of Completion 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. 6 and Attorney Huck presented correspondence from Kuehl Capital Corporation, requesting cancellation of General Fund Warrant 278, payable to "Lamp, Rynearson & Associates, Inc." in the amount of

\$4,630.47, due to the fact that said warrant has been lost, and requesting issuance of replacement construction fund warrant. A copy of said correspondence is attached to these minutes for reference, along with an Affidavit and Indemnity Agreement which has been executed with regard to the lost warrant. The Chairman stated it would therefore be appropriate to cancel General Fund Warrant No. 278 and issue a replacement warrant, General Fund Warrant No. 278-R, dated August 18, 2014 and payable to "Lamp, Rynearson & Associates, Inc." in the amount of \$4,630.47. After full 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 General Fund Warrant No. 278, payable to Lamp, Rynearson & Associates, Inc. in the amount of \$4,630.47, which was issued at the meeting of the Board on August 18, 2014 and registered with the Sarpy County Treasurer's Office on September 4, 2014, be and hereby is canceled.

BE IT FURTHER RESOLVED that the Chairman and Clerk be and hereby are authorized and directed to issue a replacement warrant, General Fund Warrant No. 278-R, payable to Lamp, Rynearson & Associates, Inc. in the amount of \$4,630.47 and dated August 18, 2014.

BE IT FURTHER RESOLVED, that a certified copy of this resolution be filed with the Treasurer of Sarpy County, Nebraska.

On roll call on said 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.

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. 450 through 478, inclusive, of the District, dated the date of this meeting, to the following payees and in the following amounts, and said Warrant Nos. 450 through 462, 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. 463 through 478, 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 October 15, 2017)

| | | | |
|---|---|----------------|--|
| 450 | Lamp Rynearson & Associates | 1,585.17 | Inv. No. 107018.90-10, engineering services |
| 451 | Metropolitan Utilities District | 151.99 | Water usage, Acct. No. 110000071573, 7/25/14 - 9/10/14 |
| 452 thru 459 | McArdle Grading Co. | 3,000.00 each | Inv. No. 11695, silt basin cleanout and seeding |
| 460 | McArdle Grading Co. | 728.86 | Inv. No. 11695, silt basin cleanout and seeding |
| 461 | Croker Huck Kasher DeWitt Anderson & Gonderinger, LLC | 2,477.23 | Inv. No. 102994, Acct. No. 488-0 |
| 462 | Kuehl Capital Corporation | 723.58 | Warrant Structuring Fee, Warrants 450 through 461, inclusive |
| CONSTRUCTION FUND (Due October 15, 2019) | | | |
| 463 | Thiele Geotech, Inc. | 1,694.00 | Inv. No. 50845, Paving Phase 2 |
| 464 and 465 | MBC Construction Company | 10,000.00 each | Pay Rec. 3 - Paving, Section 1 |
| 466 | MBC Construction Company | 5,962.79 | Pay Rec. 3 - Paving, Section 1 |
| 467 thru 470 | MBC Construction Company | 10,000.00 each | Pay Rec. 4 - FINAL - Paving, Section 1 |
| 471 | MBC Construction Company | 9,178.89 | Pay Rec. 4 - FINAL - Paving, Section 1 |
| 472 thru 475 | Lamp Rynearson & Associates | 10,000.00 each | Inv. No. 107018.22-04, Phase 2 sanitary sewer (Sec. 1 and 2), storm sewer (Sec. 1) and Paving (Sec. 1) |
| 476 | Lamp Rynearson & Associates | 9,171.50 | Inv. No. 107018.22-04, Phase 2 sanitary sewer (Sec. 1 and 2), storm sewer (Sec. 1) and Paving (Sec. 1) |
| 477 | Croker Huck Kasher DeWitt Anderson & Gonderinger, LLC | 7,375.24 | Inv. No. 102996, Acct. No. 488-001 |
| 478 | Kuehl Capital Corporation | 3,334.56 | Warrant Structuring Fee, Warrants 463 through 477, inclusive |

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 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.

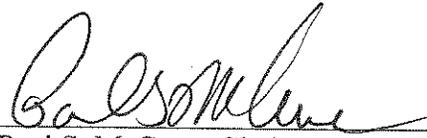
4. This Certificate is being passed, executed and delivered pursuant to Section 1.148-2(b)(2) of the Income Tax Regulations under the Internal Revenue Code of 1986, as amended.

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, the following transpired:

- a. Attorney Huck reported that the District's Engineer had requested bids for installation of street signs in the District. Copies of the requests for bids are attached to these minutes for reference.
- b. 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