

**Papio-Missouri River Natural Resources District  
Board of Directors Meeting  
Suggested Resolutions/Recommendations  
June 12, 2014**

**\*Agenda Item 4 - Agenda**

BE IT RESOLVED that the agenda be adopted.

**\*Agenda Item 5 – Consent Agenda**

BE IT RESOLVED that the following resolutions on the consent agenda are hereby adopted.

Agenda Item 3.A.:

BE IT RESOLVED that the absence of the following Director(s) from the June 12, 2014, Board of Directors Meeting are excused:

None to date.

Agenda Item 7. A.:

BE IT RESOLVED that the May 8, 2014 Papio-Missouri River NRD Board meeting minutes are approved as printed.

**\*Agenda Item 10.A. – Personnel, Legislative and Public Affairs Subcommittee**

BE IT RESOLVED that the minutes of the June 10, 2014, meeting of the Personnel, Legislative and Public Affairs Subcommittee are accepted, incorporated in these minutes, and the following recommendation(s) of the Subcommittee are hereby adopted and approved.

1. Extension of the Government Relations Contract with Husch Blackwell – Recommendation that the General Manager be authorized to execute the proposed contract with Husch Blackwell, LLP, for the provision of intergovernmental and professional lobbying services per the terms and conditions outlined in the agreement in the form as presented to the Subcommittee, subject to changes deemed necessary by the General Manager and approved as to form by District Legal Counsel.
2. General Manager’s Contract Update – Recommendation that the that the Chairperson of the Board of Directors be authorized to execute for and on behalf of the District the Fourth Addendum to the General Manger’s Employment Agreement, containing updates to the terms of his agreement and an extension of the General Manager’s term of employment, as recommended by the Subcommittee.

## \*Agenda Item 10.B. – Programs, Projects and Operations Subcommittee

BE IT RESOLVED that the minutes of the June 10, 2014, meeting of the Programs, Projects and Operations Subcommittee are accepted, incorporated in these minutes, and the following recommendation(s) of the Subcommittee are hereby adopted and approved.

1. P-MRNRD Regional Multi-Hazards Mitigation Plan – Grant Application to Nebraska Emergency Management Agency – Recommendation that the General Manager be authorized to execute the proposed Planning Grant Application in the amount of \$150,000 for preparation of an updated Regional Multi-Hazards Mitigation Plan for the District, and that an Ad-Hoc Hazard Mitigation Plan Consultant Selection Subcommittee be appointed.
2. Papio Dam Site 15A – Douglas County Roads Sub-Project Agreement – Recommendation that the General Manager be authorized to execute the proposed Papio Watershed Dam Site 15A Project County Roads Interlocal Agreement with Douglas County, subject to changes deemed necessary by the General Manager and approved as to form by District Legal Counsel.
3. Big Papillion Creek Flood Inundation Mapping – USGS Proposal – Recommendation that the General Manager be authorized to execute the proposed contract with the USGS in the amount of \$65,100 for Flood Inundation Mapping for the Big Papillion Creek from Fort Street to downstream of Q Street subject to changes deemed necessary by the General Manager and approved as to form by District Legal Counsel.
4. Missouri River Floodway Purchase Program Bid Openings
  - a. Asbestos Investigation – Recommendation that the General Manager be authorized to execute the proposed contract with The Assessment Group for completion of up to 34 residential asbestos investigations for the Missouri River Floodway Purchase Program Buyouts at a cost of \$250 per structure, subject to changes deemed necessary by the General Manager and approved as to form by District Legal Counsel.
  - b. Structure Demolition – Recommendation that the General Manager be authorized to execute the proposed contract with Heimes Corp. for demolition of up to 34 residential structures for the Missouri River Floodway Purchase Program Buyouts at a cost of up to \$14,771 per structure, subject to changes deemed necessary by the General Manager and approved as to form by District Legal Counsel.
5. FY 2015 Equipment Requirements
  - a. FY 2015 Equipment Requirements – Recommendation that the FY 2015 Equipment Requirements be approved, as presented to the Subcommittee, subject to funding in the FY 2015 Budget.
  - b. Equipment Surplus – Recommendation that the surplus NRD equipment located in the Omaha area be sold at the August 17, 2014, Springfield American Legion Post 143 Auction in Springfield, Nebraska, and the remaining surplus NRD equipment be sold at the August 21, 2014, Lee Valley Consignment Auction in Tekamah, Nebraska.

## \*Agenda Item 10.C. – Finance, Expenditures and Legal Subcommittee

BE IT RESOLVED that the minutes of the June 10, 2014, meeting of the Finance, Expenditures and Legal Subcommittee are accepted, incorporated in these minutes, and the following recommendation(s) of the Subcommittee are hereby adopted and approved.

1. 1% Increase to the Budgeted Restricted Funds for Lid Calculation for FY 2015 – Recommendation that the following resolution be adopted:

BE IT RESOLVED THAT the Board of Directors of the Papio-Missouri NRD approves an additional increase of 1% in the Total Restricted Funds Authority, pursuant to Neb. Rev. State. §§ 13-518 through 13-522.

2. Lower Platte River Corridor Alliance FY 2015 Budget – Recommendation that the Fiscal Year 2015 Budget for the Lower Platte River Corridor Alliance in the amount of \$198,835, be approved, subject to funds being included in the District’s FY 2015 budget.
3. Refinance of the Washington County Rural Water #2 System Bank Loan – Recommendation that the following resolution be adopted:

**RESOLUTION NO. \_\_\_\_\_**

BE IT RESOLVED by the Board of Directors (the “Board”) of the Papio-Missouri River Natural Resources District, in the State of Nebraska (the “District”), as follows:

Section 1. The Board hereby finds and determines as follows:

(a) pursuant to Sections 2-3252 to 2-3255, R.R.S. Neb., as amended, and appropriate notice and public hearing as provided by law, the District previously established improvement project areas designated Washington County Rural Water Project No. 1 (“WC Project No. 1”) and Washington County Rural Water Project No. 2 (“WC Project No. 2”) to serve portions of Washington County; and

(b) the District has constructed rural water system improvements to serve WC Project No. 1 (such improvements, as presently existing and all additions, extensions and improvements thereto hereafter constructed by the District to serve WC Project No. 1 and for which revenue bonds may be issued under the terms of Section 2-3226, R.R.S. Neb., as amended [the “Act”] being herein referred to and collectively designated as the “WC1 Water System”), and has constructed rural water system improvements to serve WC Project No. 2 (such improvements, as presently existing and all additions, extensions and improvements thereto hereafter constructed by the District to serve WC Project No. 2 and for which revenue bonds may be issued under the terms of the Act, being herein referred to and collectively designated as the “WC2 Water System”); and

(c) pursuant to a resolution of the Board dated May 12, 2011 (the “Senior Lien Resolution”) the District has issued and there are now outstanding its Water Project Revenue Refunding Bonds (Washington County Rural Water Project No. 2), Series 2011A (the “2011A Bonds”) in the aggregate original principal amount of \$2,425,000, presently outstanding in the principal amount of \$1,835,000, maturing serially on June 15 of the years 2014 through 2032, inclusive, and in connection with the issuance of the 2011A Bonds the revenues of the WC2 Water System were pledged for repayment of the 2011A Bonds; and

(d) pursuant to a resolution of the Board dated May 12, 2011 (the “Junior Lien Bond Resolution”) the District has issued and there are now outstanding its Junior Lien Water Project Revenue Refunding Bonds (Washington County Rural Water Project No. 2), Series 2011B (the “2011B Bonds”) in the original principal amount of \$700,000, presently outstanding in the principal amount of \$600,000, maturing on June 10, 2014 (as such date may be temporarily extended by the holder of the 2011B Bonds, the “2011B Maturity Date”), and in connection with the issuance of the 2011B Bonds the revenues of the WC2 Water System were pledged for repayment of the 2011B Bonds on a basis junior in priority to the lien with respect to the 2011A Bonds; and

(e) since the issuance of the 2011A Bonds and the 2011B Bonds, the District has taken actions to effect a financial merger of the WC1 Water System and the WC2 Water System into a combined service area (together, the “Combined Service Area”), to adjust boundaries of WC Project No. 1 and WC Project No. 2, respectively, and to modify applicable rate structures payable by water users in the Combined Service Area; and

(f) the actions relating to the financial merger of the WC1 Water System and the WC2 Water System are the subject of pending litigation described as follows (collectively, the “WC System Litigation”):

(i) *The City of Fort Calhoun et al. v. The Papio-Missouri River Natural Resources District* (CI-13-159), which action seeks, among other things, a reversal of the decision of the Board to merge WC Project No. 1 and WC Project No. 2 and to set a rate structure for WC Project No. 2 that is a minimum of 5% higher than WC Project No. 1, until debt from the initial construction of WC Project No. 2 is paid; declare the resolution to hold a hearing on altering the boundaries of WC Project No. 1 and WC Project No. 2 void or voidable as taken in violation of the Open Meetings Act; and issue an injunction preventing any further action in furtherance of the resolution approving such combination; and

(ii) *The City of Fort Calhoun, Nebraska v. The Papio-Missouri River Natural Resources District* (CI-13-160), which action seeks, among other things, an injunction enjoining the Board from implementing the financial merger of WC Project No. 1 and WC Project No. 2 into the single Combined Service Area; and

(iii) *The City of Fort Calhoun et al. v. The Papio-Missouri River Natural Resources District* (CI-13-184), which action seeks, among other things, a declaration that the resolution of the Board was taken in violation of the Open Meetings Act and is therefore void, and a temporary and permanent injunction enjoining the Board from any further action in furtherance of the resolution approving such combination.

and

(g) each of the WC1 Water System and WC2 Water System constitutes a “revenue producing facility” within the meaning of the Act; and

(h) other than the 2011A Bonds and the 2011B Bonds, there is presently no indebtedness of the District for which the revenues of the WC1 Water System or WC2 Water System have been pledged; and

(i) pursuant to a resolution of the Mayor and Council of the City of Blair, Nebraska dated May 9, 2006 (the “Blair Bond Resolution”) the City of Blair, Nebraska has issued and there is now outstanding its Water System Revenue Bond, Series 2006 (the “Blair Bond”), presently outstanding in the principal amount of \$300,000, maturing on June 1, 2015, which was issued by the City to evidence its payment obligations under that Interlocal Cooperation Agreement executed by the City on January 13, 2004, by and among the City, the District and The County of Washington in the State of Nebraska relating to the District’s WC Project No. 2; and

(j) in order to extend the 2011B Maturity Date on favorable terms it is appropriate to proceed with refunding the 2011B Bonds as provided herein by way of a private placement of the Bond authorized herein to Washington County Bank, Blair, Nebraska (the “Purchaser”); and

(k) the proceeds of the Bond herein authorized will be sufficient to redeem in full the 2011B Bonds on the 2011B Maturity Date and to pay costs of issuance (there being no debt service reserve fund contemplated with respect to the Bond); and

(l) upon recommendation of the Finance, Expenditure and Legal Subcommittee, the refinancing of the 2011B Bonds was approved in concept by a two-thirds vote of the Board at the regular meeting of the Board on May 8, 2014; and

(m) the Board desires to adopt this resolution for the purposes of carrying out the intent of the Board expressed on May 8, 2014, in a manner which will reflect the requirements of the proposed Purchaser of the Bond authorized herein; and

(n) all conditions required to exist or to be done precedent to the issuance of the Junior Lien Water Project Revenue Refunding Bond (Washington County Rural Water Project), Series 2014, herein authorized pursuant to the Act in the principal amount of Five Hundred Fifty Thousand Dollars (\$550,000.00), do exist and have been done.

Section 2. In addition to the definitions provided in parentheses elsewhere in this Resolution, the following definitions of terms shall apply, unless the context shall clearly indicate otherwise:

(a) The term “revenues” shall mean all of the rates, rentals, fees and charges, earnings and other monies, including investment income, from any source derived by the District through its ownership and operation of the WC2 Water System, including any and all payments to be received by the District for such system under the terms of interlocal agreements related thereto, including payments under the Blair Bond; *provided, however*, the pledge of revenues in favor of the Bond herein authorized is subject and subordinate in all respects to the prior and senior pledge of revenues in favor of the Senior Bonds as described in the Senior Lien Resolution; and *provided further*, if the WC System Litigation or any portion thereof is resolved by court order or settlement (in either case, an “Order”) in a manner that limits the revenues which may be pledged for the Bond authorized herein, then “revenues” as used herein, shall mean only that portion of the rates, rentals, fees and charges, earnings and other monies, including investment income, from any source derived by the District through its ownership and operation of the WC2 Water System to the extent the same may be pledged for the Bond after giving effect to the Order.

(b) The term “Additional Bonds” shall mean any and all bonds hereafter issued by the District pursuant to the terms of the Senior Lien Resolution which are equal in lien to the Senior Bonds, including all such bonds issued pursuant to Section 15 and refunding bonds issued pursuant to Section 16, each as included in the Senior Lien Resolution.

(c) The term “Deposit Securities” shall mean obligations of the United States of America, direct or unconditionally guaranteed, including any such obligations issued in book entry form.

(d) The term “Paying Agent and Registrar” shall mean the Treasurer of the District, as appointed to act as paying agent and registrar for the 2011B Bonds pursuant to Section 4 hereof, or any successor thereto.

Section 3. To provide for the payment of the 2011B Bonds on the 2011B Maturity Date as described in Section 1 hereof, there shall be and there is hereby ordered issued a single negotiable bond of the District to be designated as its “Junior Lien Water Project Revenue Refunding Bond (Washington County Rural Water Project), Series 2014” (the “Bond”) in the principal amount of Five Hundred Fifty Thousand Dollars (\$550,000), with said Bond to be dated and delivered June 13, 2014 (the “Date of Delivery”) and to mature on June 12, 2017 (the “Maturity Date”), to bear interest at a fixed rate of interest per annum of 4.12%, with payments of principal and interest payable monthly in arrears, on or before the first (1<sup>st</sup>) day of each month (each, a “Payment Date”) based on an 18 year amortization schedule, with such payments shown on the schedule attached hereto as Exhibit “A”, with all unpaid principal and accrued and unpaid interest to be due and payable on the Maturity Date. The Bond shall be issued in fully registered form as a single bond in the entire authorized principal amount. The Bond shall bear such interest from the Date of Delivery or the most recent Payment Date to which interest has been paid or provided for, whichever is later. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The principal and interest due on each Payment Date shall be payable to the registered owner of record as of the fifteenth day immediately preceding the Payment Date (the “Record Date”), subject to the provisions of Section 5 hereof. The Bond shall be issued as a single bond numbered from R-1. Payments of principal and interest due on the Bond prior to maturity or earlier redemption shall be made by the Paying Agent and Registrar as designated pursuant to Section 4 hereof, by mailing a check or draft in the amount due for such amount on each Payment Date to the registered owner of the Bond, as of the Record Date for such Payment Date, to such owner’s registered address as shown on the books of registration as required to be maintained in Section 4 hereof. Payments of principal due at maturity together with any unpaid interest accrued thereon shall be made by the Paying Agent and Registrar to the registered owner upon presentation and surrender of the Bond to the Paying Agent and Registrar. The District and the Paying Agent and Registrar may treat the registered owner of the Bond as the absolute owner of such Bond for the purpose of making payments thereon and for all other purposes and neither the District nor the Paying Agent and Registrar shall be affected by any notice or knowledge to the contrary whether such Bond or any installment of interest due thereon shall be overdue or not. All payments on account of interest or principal made to the registered owner of any Bond in accordance with the terms of this Resolution shall be valid and effectual and shall be a discharge of the District and the Paying Agent and Registrar, in respect of the liability upon the Bond or claims for interest to the extent of the sum or sums so paid.

Section 4. The Treasurer of the District is hereby designated to serve as Paying Agent and Registrar for the Bond. The Paying Agent and Registrar shall keep and maintain for the District books for the registration and transfer of the Bond at its office in Omaha, Nebraska. The name and registered address of the registered owner of the Bond shall at all times be recorded in

such books. The Bond may be transferred pursuant to its provisions, and subject to the provisions of this Section 4 below, at the office of said Paying Agent and Registrar by surrender of the Bond for cancellation, accompanied by a written instrument of transfer, in form satisfactory to said Paying Agent and Registrar, duly executed by the registered owner in person or by such owner's duly authorized agent, and thereupon the Paying Agent and Registrar, on behalf of the District, will deliver at its office (or send by registered mail to the transferee owner thereof at such transferee owner's risk and expense), registered in the name of the transferee owner, a new Bond, of the same series, interest rate, aggregate principal amount and maturity. In every case of transfer of the Bond, the surrendered Bond shall be canceled and destroyed. Any Bond issued upon transfer of the Bond so surrendered shall be a valid obligation of the District evidencing the same obligation as the Bond surrendered and shall be entitled to all the benefits and protection of this Resolution to the same extent as the Bond upon transfer of which it was delivered. The District and the Paying Agent and Registrar shall not be required to transfer the Bond during any period from any Record Date until its immediately following Payment Date or to transfer the Bond when called for redemption, in whole or in part, for a period of 30 days next preceding the date fixed for redemption. Notwithstanding any provision of this Resolution to the contrary, no transfer of the Bond will be permitted unless the Purchaser (or any subsequent holder transferring the Bond) shall comply with all applicable federal and state securities laws applicable to such transfer, shall certify the same to the District, and shall cause acceptable investor or purchaser letters to be executed and delivered to the District prior to the effectiveness of such transfer. In addition, in connection with any such transfer, the Paying Agent shall require the holder requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer, and the Paying Agent may also require the holder requesting such transfer to pay a reasonable sum to cover expenses, including, without limitation, attorneys' fees, incurred by the Paying Agent or the District in connection with such transfer.

Section 5. In the event that payment of interest due on the Bond on an Payment Date is not timely made, such interest shall cease to be payable to the registered owner as of the Record Date for such Payment Date and shall be payable to the registered owner of the Bond as of a special date of record for payment of such defaulted interest as shall be designated by the Paying Agent and Registrar whenever monies for the purpose of paying such defaulted interest become available.

Section 6. The Bond shall be subject to redemption, in whole or in part, at any time prior to maturity at the principal amount thereof (as designated by the District in the case of partial redemption), without premium or penalty, but with accrued interest on the principal amount redeemed to the date fixed for redemption. Such redemption shall be made from time to time as shall be directed by the Board of Directors of the District. In the event that the Bond is redeemed in part, the Paying Agent shall mark such partial redemption on its books and records, confirmed in writing to the registered owner, and the registered owner shall not be required to surrender the Bond for notation of partial redemption to said Paying Agent and Registrar. The books of the Paying Agent and Registrar shall be controlling as to the outstanding principal amount of the Bond. Notice of redemption of the Bond called for partial or whole redemption shall be given at the direction of the District by said Paying Agent and Registrar by mail not less than 30 days prior to the date fixed for redemption, first class, postage prepaid, sent to the registered owner of such Bond at said owner's registered address. Such notice shall designate the Bond or portion of the principal thereof to be redeemed and the date fixed for redemption and shall state, in the case of prepayment in whole, that the Bond is to be presented for prepayment at the office of said Paying Agent and Registrar. In case of any partial redemption of the Bond, the registered owner shall have the right to request the delivery of a replacement bond certificate evidencing and stating the

outstanding principal remaining unredeemed. No defect in the mailing of notice for the Bond shall affect the sufficiency of the proceedings of the District designating the Bond or portion of the principal thereof called for redemption.

Section 7. If the date for payment of the principal of or interest on the Bond shall be a Saturday, Sunday, legal holiday or a day on which the banking institutions in the city where the office of the Paying Agent and Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

Section 8. The Bond shall be in substantially the following form:



UNITED STATES OF AMERICA  
STATE OF NEBRASKA  
PAPIO-MISSOURI RIVER NATURAL RESOURCES DISTRICT

JUNIOR LIEN WATER PROJECT REVENUE REFUNDING BOND  
(WASHINGTON COUNTY RURAL WATER PROJECT)  
SERIES 2014

TRANSFERS OF THIS BOND ARE RESTRICTED BY THE TERMS OF THE AUTHORIZING RESOLUTION (THE "RESOLUTION") AND ARE LIMITED TO INVESTORS WHO PROVIDE AN INVESTOR OR PURCHASER LETTER AS PROVIDED IN SECTION 4 OF THE RESOLUTION.

No. R-1

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
4.12%	June 12, 2017	June 13, 2014	N/A

Registered Owner: WASHINGTON COUNTY BANK

Principal Amount: FIVE HUNDRED FIFTY THOUSAND DOLLARS (\$550,000)

KNOW ALL PERSONS BY THESE PRESENTS: That the Papio-Missouri River Natural Resources District, in the State of Nebraska (the "District") hereby acknowledges itself to owe and for value received promises to pay, but only from the special sources hereinafter described, to the registered owner specified above, or registered assigns, the principal amount specified above in lawful money of the United States of America on the date of maturity specified above with interest thereon to maturity (or earlier redemption) from the date of original issue or most recent Payment Date to which interest has been paid or provided for, whichever is later, at the rate per annum specified above, with payments of principal and interest payable monthly in arrears, on or before the first (1st) day of each month (each, a "Payment Date") based on an 18 year amortization schedule, with such payments shown on the schedule attached hereto as Schedule 1, with all unpaid principal and accrued and unpaid interest to be due and payable on the Maturity Date. Such interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of this bond together with interest thereon unpaid and accrued at maturity (or earlier redemption in whole) is payable upon presentation and surrender of this bond at the office of the Treasurer of the District, as Paying Agent and Registrar, in Omaha, Nebraska. Interest on and principal of this bond due prior to maturity or earlier redemption will be paid on each Payment Date by a check or draft mailed by the Paying Agent and Registrar to the registered owner of this bond, as shown on the books of record maintained by the Paying Agent and Registrar, at the close of business on the fifteenth day immediately preceding the Payment Date (the "Record Date"), to such owner's address as shown on such books and records. Any interest not so timely paid shall cease to be payable to the person entitled thereto as of the Record Date, and shall be payable to the person who is the registered owner of this bond (or of one or more predecessor bonds hereto) on such special record date for payment of such defaulted interest as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available.

This bond is the single bond of an authorized issue of fully registered bonds in the principal amount of Five Hundred Fifty Thousand Dollars (\$550,000.00) issued by the District for the purpose of refunding a portion of the District's Junior Lien Water Project Revenue Refunding Bonds (Washington County Rural Water Project No. 2), Series 2011B, which were issued for the purpose of refunding a portion of the District's Junior Lien Water Project Revenue Refunding

Bonds (Washington County Rural Water Project No. 2), Series 2006B, which were issued for the purpose of paying a portion of the costs of constructing and acquiring a rural water distribution system to serve the District's Washington County Rural Water Project No. 2 and portions of the City of Blair, Nebraska, and to pay costs of issuance thereof, and is issued pursuant to the terms of a resolution (the "Resolution") adopted by the Board of Directors of said District in accordance with and under the provisions of Section 2-3226, R.R.S. Neb., as amended.

This bond is subject to redemption at the option of the District, in whole or in part, at any time prior to maturity, at the principal amount thereof designated for redemption together with accrued interest on the principal amount redeemed to the date fixed for redemption. Such redemption shall be made from time to time as shall be directed by the Board of Directors of the District. Notice of redemption shall be given by mail to the registered owner of this bond in the manner specified in the Resolution. Principal of this bond may be redeemed in part in any amount. In case of any such partial redemption, the registered owner is not required to present this bond for notation of partial redemption and the books and records of the Paying Agent and Registrar shall control as to the remaining principal balance unpaid.

Subject to the requirements of the Resolution, this bond is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender and cancellation of this bond, and thereupon a new bond of the same aggregate principal amount, interest rate and maturity will be issued to the transferee as provided in the Resolution, subject to the limitations therein prescribed. The District, the Paying Agent and Registrar and any other person may treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment due hereunder and for all other purposes and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

If the day for payment of the principal of or interest on this bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the office of the Paying Agent and Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

The revenues (as defined in the Resolution and subject to the limitations provided in such definition) are pledged and hypothecated by the District for the payment of this bond on a basis which is junior in lien to the District's Water Project Revenue Refunding Bonds (Washington County Rural Water Project No. 2), Series 2011A, issued in the original principal amount of \$2,425,000 (the "Senior Bonds"), all as described in the Resolution and the resolution authorizing the Senior Bonds (the "Senior Lien Resolution"). This Bond is expressly junior in rights as to payment and security to the Senior Bonds. This Bond is a lien only upon said revenues and is not a general obligation of the District.

The Resolution sets forth the covenants and obligations of the District with respect to the WC2 Water System and the applications of the revenues thereof, which revenues under the terms of the Senior Lien Resolution and the Resolution are required to be deposited to the "WC2 Project Fund" as established under the Senior Lien Resolution and confirmed by the Resolution and disbursed to pay costs of operation and maintenance of the WC2 Water System, to make payments of principal and interest on the Senior Bonds, on any additional bonds of equal priority with the Senior Bonds and, from the Retained Revenues Account established under and in accordance with the Senior Lien Resolution, on the Bond and other payments as specified in the Senior Lien

Resolution and the Resolution. The Senior Lien Resolution also designates the terms and conditions under which additional bonds of equal priority with the Senior Bonds may be issued. The Resolution also designates the terms and conditions upon which this bond shall cease to be entitled to any lien, benefit or security under the Resolution and all covenants, agreements and obligations of the District under the Resolution may be discharged and satisfied at or prior to the maturity or redemption of this bond if monies or certain specified securities shall have been deposited with a trustee bank.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this bond did exist, did happen and were done and performed in regular and due form and time as provided by law. This bond shall not be valid and binding on the District until authenticated by the Paying Agent and Registrar.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the Board of Directors of the Papio-Missouri River Natural Resources District, in the State of Nebraska, have caused this bond to be executed on behalf of the District with the manual or facsimile signatures of the Chairperson and Secretary of the District, all as of the Date of Original Issue shown above.

PAPIO-MISSOURI RIVER NATURAL  
RESOURCES DISTRICT, IN THE STATE  
OF NEBRASKA

ATTEST: \_\_\_\_\_ (manual or facsimile signature)  
Chairperson

\_\_\_\_\_  
Secretary

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds authorized by Resolution adopted by the Board of Directors of the Papio-Missouri River Natural Resources District, in the State of Nebraska, as described in said bond.

Treasurer, Papio-Missouri River Natural  
Resources District, as Paying Agent and  
Registrar

\_\_\_\_\_  
Authorized Signature

(FORM OF ASSIGNMENT)

For value received \_\_\_\_\_ hereby sells, assigns, and transfers unto \_\_\_\_\_ the within bond and hereby irrevocably constitutes and appoints \_\_\_\_\_, Attorney, to transfer the same on the books of registration in the office of the within mentioned Paying Agent and Registrar with full power of substitution in the premises.

Date: \_\_\_\_\_

\_\_\_\_\_  
Registered Owner

Signature Guaranteed

By: \_\_\_\_\_

\_\_\_\_\_  
Authorized Officer

Note: The signature(s) on this assignment MUST CORRESPOND with the name(s) as written on the face of the within bond in every particular, without alteration, enlargement or any change whatsoever, and must be guaranteed by a commercial bank or a trust company or by a firm having membership on the New York, Midwest or other stock exchange.

Section 9. The Bond shall be executed on behalf of the District with the manual or facsimile signatures of the Chairperson and Secretary of the District. In the event of any transfer of the Bond, the District shall immediately provide a supply of bond certificates for issuance upon such transfer and subsequent transfers or in the event of partial redemption and request for replacement certificate or certificates. In the event that such supply of certificates shall be insufficient to meet the requirements of the Paying Agent and Registrar for issuance of replacement bond certificates upon transfer or partial redemption, the District agrees to order printed an additional supply of bond certificates and to direct their execution by manual or facsimile signature of its then duly qualified and acting officers. In case any officer whose signature or facsimile thereof shall appear on any certificate to evidence the Bond shall cease to be such officer before the delivery of such certificate (including any bond certificates delivered to the Paying Agent and Registrar for issuance upon transfer or partial redemption), such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer or officers had remained in office until the delivery of such certificate to evidence the Bond. The Bond shall not be valid and binding on the District until authenticated by the Paying Agent and Registrar. The Bond shall be delivered to the Paying Agent and Registrar for registration and authentication. Upon execution, registration and authentication of the Bond, it shall be delivered to the District's Treasurer, acting on behalf of the District, who shall deliver it to Washington County Bank, as initial purchaser thereof (the "Purchaser"), upon receipt of the purchase price of 100% of the principal amount thereof plus accrued interest, if any, on the principal amount of the Bond to date of payment for the Bond. A record of information with respect to the Bond shall also be filed with the office of the Auditor of Public Accounts as required under Section 10-140, R.R.S. Neb., as amended. The Secretary, acting on behalf of the District, shall make and certify a transcript of the proceedings of the governing body with respect to the Bond which shall be delivered to said purchaser.

Section 10. For the payment of the Bond, both principal and interest, the District hereby pledges and hypothecates the entire revenues (as defined and described above, and subject to the limitations set out in such definition), subject in full to the payment and other rights of the Senior Bonds and to the terms and conditions of the Senior Lien Resolution. The pledge and hypothecation of the revenues provided for the Bond in this Resolution is intended to and is expressly a junior pledge or lien upon and security interest in the revenues of the WC2 Water System subject to the payment rights securing the Senior Bonds and any Additional Bonds so long as the Senior Bonds and any Additional Bonds remain outstanding and the Bond shall be payable from monies in the "Retained Revenues Account" as described in and created by the Senior Lien Resolution. The terms of the Senior Lien Resolution are hereby incorporated by reference. This Resolution, subject to the terms and conditions of the Senior Lien Resolution is intended as a full exercise of the powers of the District provided for in the Act, as now or hereafter amended, with respect to the revenues.

Section 11. The proceeds of the Bond, along with other funds of the District available for such purposes, shall be applied at the direction of the District's Treasurer to the redemption in full of the 2011B Bonds on the 2011B Maturity Date. The holder of the Bond shall be subrogated to the rights of the holders of the 2011B Bonds from and after the redemption and payment of the 2011B Bonds.

Section 12. The District hereby agrees that it will impose and maintain and shall revise from time to time when necessary and shall collect such rentals, rates, fees and charges for the use and services of the WC2 Water System which, in the aggregate and taking into consideration amounts to be received under the terms of the Interlocal Agreement, shall be sufficient at all times:

(a) to provide for the payment of interest on and principal of the Senior Bonds and any Additional Bonds as such interest and principal become due and of interest on the Bond as such interest becomes due;

(b) to pay all reasonable costs of operation and maintenance of the WC2 Water System, including adequate insurance as provided by this Resolution and the Senior Lien Resolution and to pay for the necessary and reasonable repairs, replacements and extensions of said WC2 Water System; and

(c) to establish and maintain the Debt Service Reserve Account as provided in the Senior Lien Resolution and any debt service reserve account hereafter required for Additional Bonds.

Section 13. By the incorporation of the provisions of the Senior Lien Resolution, the fund and accounts established under the terms of Section 13 of the Senior Lien Resolution are hereby confirmed with respect to the application of revenues of the WC2 Water System for the Senior Lien Bonds, and Additional Bonds and the Bond. All references to the "Junior Bond Payment Sub-account" and the "Junior Lien Resolution" in Section 13 of the Senior Lien Resolution shall be understood to refer to the Junior Bond Payment Sub-account established in this Section 13 and this Resolution, respectively. The Bond shall be payable solely from amounts deposited to the Retained Revenues Account. In accordance with the terms of the Senior Lien Resolution, the District hereby establishes for the benefit and security of the Bond, the following sub-accounts for the application of revenues in the Retained Revenues Account: (a) the Junior Bond Payment Sub-account and (b) the Junior Bond Redemption Sub-account. With respect to such sub-accounts, the District hereby agrees for the benefit of the registered owner of the Bond as follows:

(a) **Junior Bond Payment Sub-account** – Amounts available in the Retained Revenues Account shall be credited at least monthly on or before the business day immediately preceding each Payment Date in an amount sufficient to pay in full the principal of and interest falling due on the Bond on the next Payment Date. The District Treasurer is hereby authorized and directed, without further authorization, to withdraw monies credited to the Junior Bond Payment Sub-account to pay the principal of and interest on the Bond and to transfer such monies to the Paying Agent and Registrar at least two (2) business days before each Payment Date.

(b) **Junior Bond Redemption Sub-account** – Any amounts remaining in the Retained Revenues Account which (y) are not required to be applied (i) to make up deficiencies as described in Subsection 13(e)(1) of the Senior Lien Resolution or (ii) to make the required deposit to the Junior Bond Payment Sub-account as described in Subsection 13(e)(2) of the Senior Lien Resolution and Subsection 13(a) of this Resolution and (z) which the District does not reasonably expect to be applied to any of the other permitted purposes described in Subsections 13(e)(4), 13(e)(5), 13(e)(6), and 13(e)(7) of the Senior Lien Resolution shall be credited to the Junior Bond Redemption Sub-account and applied to the prepayment

(partial or whole) of the Bond at the earliest permitted redemption date.

The provisions of this Section as supplementing the provisions of Section 13 of the Senior Lien Resolution shall require the District to maintain a set of books and records in accordance with such accounting methods and procedures as are generally applicable to a utility enterprise, which books and records shall show credits to and expenditures from the several sub-accounts required by this Section 13. Monies credited to any such sub-accounts shall be deposited or invested separate and apart from other District funds. The District shall not be required to establish separate bank or investment accounts for the sub-accounts described in this Section 13.

Section 14. So long as the Bond is outstanding, the District hereby covenants and agrees as follows:

(a) The District will maintain the WC2 Water System in good condition and will continuously operate the same in a reasonable and efficient manner, and the District will punctually perform all duties with reference to said system required by the Constitution and statutes of the State of Nebraska, but this covenant shall not prevent the District from discontinuing the use and operation of all or any portion of the WC2 Water System so long as the revenue derived from the District's ownership of the properties constituting the WC2 Water System shall be sufficient to fulfill the District's obligations under Sections 11, 12 and 13 of this Resolution.

(b) The District will not grant any franchise or right to any person, firm or corporation to own or operate a water system in competition with the WC2 Water System.

(c) The District will maintain insurance on the property constituting the WC2 Water System (other than such portions of the system as are not normally insured) against risks customarily carried by similar utilities, but including fire and extended coverage insurance in an amount which would enable the District to repair, restore or replace the property damaged to the extent necessary to make the WC2 Water System operable in an efficient and proper manner to carry out the District's obligations under this Resolution. The Board of Directors shall annually examine the amount of insurance carried with respect to the WC2 Water System and shall evidence approval of such insurance by resolution. The proceeds of any such insurance received by the District shall be used to repair, replace or restore the property damaged or destroyed to the extent necessary to make the WC2 Water System operable in an efficient and proper manner, and any amount of insurance proceeds not so used shall be credited to the Retained Revenues Account and applied as provided in the Senior Lien Resolution. In the event of any such insured casualty loss, the District may advance funds to make temporary repairs or provide for an advance on costs of the permanent repair, restoration or replacement from the Operation and Maintenance Account (as established under the terms of the Senior Lien Resolution) or other funds of the District and any such advances shall be repaid from insurance proceeds received.

(d) The District will keep proper books, records and account separate from all other records and accounts in which complete and correct entries will be made of all transactions relating to the WC2 Water System. The District will have

its operating and financial statements related to the WC2 Water System audited annually by a certified public accountant or firm of certified public accountants. The District will furnish to the original purchaser of the Bond, within four months after the end of each fiscal year of the WC2 Water System, a copy of the financial statements of the WC2 Water System and the report thereon of the certified public accountants. The District agrees to provide the registered owner with such operational information concerning the WC2 Water System as such registered owner may reasonably request.

(e) The District shall cause each person handling any of the monies in the WC2 Project Fund (as established under the terms of the Senior Lien Resolution) to be bonded by an insurance company licensed to do business in Nebraska in an amount or amounts deemed sufficient by the Board of Directors to cover the amount of money belonging to said system reasonably expected to be in the possession or control of any such person. The amount of such bond or bonds shall be fixed by the Board of Directors and the costs thereof shall be paid as an operating and maintenance expense from the Operation and Maintenance Account (as established under the terms of the Senior Lien Resolution).

Section 15. To provide funds for any purpose related to the WC2 Water System, the District may issue Additional Bonds in accordance with the terms of the Senior Lien Resolution but no such Additional Bonds shall be issued so long as the Bond is outstanding without the written consent of the registered owner of the Bond. To provide funds for any purpose related to the WC2 Water System, the District may issue junior lien bonds of equal standing with the Bond in accordance with the terms of the Senior Lien Resolution but no such additional junior lien bonds shall be issued so long as the Bond is outstanding without the written consent of the registered owner of the Bond. The District hereby covenants and agrees that so long as the Bond is outstanding, it will not issue any bonds or notes payable from the revenues of the WC2 Water System except in accordance with the provisions of the Senior Lien Resolution and this Resolution, provided, however, the District reserves the right to issue bonds or notes which are junior in lien to the Bond with the principal and interest of such bonds or notes to be payable from monies credited to the Retained Revenues Account as provided in Subsection 13(e)(7) of the Senior Lien Resolution.

Section 16. The District may issue refunding bonds which shall qualify as Additional Bonds of equal lien to refund any of the Senior Bonds or Additional Bonds then outstanding, provided, that if the Bond is to remain outstanding after the issuance of such refunding bonds, such issuance of refunding bonds as Additional Bonds may occur only with the written consent of the registered owner of the Bond.

Section 17. The District's obligations under this Resolution and the liens, pledges, dedications, covenants and agreements of the District herein made or provided for shall be fully discharged and satisfied as to the Bond and said bonds shall no longer be deemed outstanding hereunder if such bonds shall have been purchased and canceled by the District or when payment of the principal of and interest thereon to the date of maturity or earlier redemption (a) shall have been made or caused to be made in accordance with the terms thereof; or (b) shall have been provided for by depositing with a state or national bank having trust powers or trust company in trust solely for such payment (i) sufficient monies to make such payment and/or (ii) Deposit Securities in such amount and bearing interest payable and maturing or redeemable at stated fixed prices at the option of the holder as to principal at such times as will ensure the availability of sufficient monies to make such payment and such bond shall cease to draw interest from the date



fixed for its redemption or maturity and, except for the purposes of such payment, shall no longer be entitled to the benefits of this Resolution; provided that, with respect to such bond as called or to be called for redemption, the District shall have duly given notice of redemption or made irrevocable provision for such notice. Any such monies so deposited with the aforesaid state or national bank or trust company as provided in this section may be invested and reinvested in Deposit Securities at the direction of the District and all interest and income from all such Deposit Securities in the hands of the aforesaid trustee bank or trust company which are not required to pay principal and interest on the Bond for which such deposit has been made shall be paid to the District as and when realized and collected.

Section 18. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution.

Section 19. All resolutions or orders or parts thereof in conflict with the provisions of this Resolution are to the extent of such conflict hereby repealed.

Section 20. The District hereby covenants and agrees that it will make no use of the proceeds of the Bond which would cause the Bond to be an “arbitrage bond” within the meaning of Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the “Code”) and further covenants to comply with said Sections 103(b)(2) and 148 and all applicable regulations thereunder throughout the term of said issue, including all requirements with respect to payment and reporting of rebates, if applicable. The District hereby covenants to take all action necessary to preserve the tax-exempt status of the interest on the Bond for federal income tax purposes under the Code with respect to taxpayers generally. The District further agrees that it will not take any actions which would cause the Bond to constitute a “private activity bond” within the meaning of Section 141 of the Code. The officers of the District are hereby authorized to make any allocations, certifications and other determinations as shall be deemed necessary or appropriate in connection with the issuance of the Bond.

Section 23. This Resolution shall be in force and take effect as provided by law.

ADOPTED this 12<sup>th</sup> day of June, 2014.

ATTEST:

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Chairperson

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Secretary

[SEAL]

Exhibit "A"  
Payment Schedule

## Amortization

**Borrower name** Papio Missouri River NRD  
**Address** Blair, NE 68008  
**Loan number**

Date	Amount	Payment	Principal	Interest	Remaining Balance
06-12-2014	Fixed Rate	4.120			
06-12-2014	Funding	550,000.00			550,000.00
07-01-2014	Regular Pmt	3,623.06	2,427.12	1,195.94	547,572.88
08-01-2014	Regular Pmt	3,623.06	1,680.39	1,942.67	545,892.49
09-01-2014	Regular Pmt	3,623.06	1,686.35	1,936.71	544,206.14
10-01-2014	Regular Pmt	3,623.06	1,754.62	1,868.44	542,451.52
11-01-2014	Regular Pmt	3,623.06	1,698.56	1,924.50	540,752.96
12-01-2014	Regular Pmt	3,623.06	1,766.47	1,856.59	538,986.49
<b>2014 Totals:</b>			21,738.36	11,013.51	10,724.85
01-01-2015	Regular Pmt	3,623.06	1,710.86	1,912.20	537,275.63
02-01-2015	Regular Pmt	3,623.06	1,716.93	1,906.13	535,558.70
03-01-2015	Regular Pmt	3,623.06	1,906.89	1,716.17	533,651.81
04-01-2015	Regular Pmt	3,623.06	1,729.78	1,893.28	531,922.03
05-01-2015	Regular Pmt	3,623.06	1,796.79	1,826.27	530,125.24
06-01-2015	Regular Pmt	3,623.06	1,742.29	1,880.77	528,382.95
07-01-2015	Regular Pmt	3,623.06	1,808.95	1,814.11	526,574.00
08-01-2015	Regular Pmt	3,623.06	1,754.89	1,868.17	524,819.11
09-01-2015	Regular Pmt	3,623.06	1,761.12	1,861.94	523,057.99
10-01-2015	Regular Pmt	3,623.06	1,827.23	1,795.83	521,230.76
11-01-2015	Regular Pmt	3,623.06	1,773.85	1,849.21	519,456.91
12-01-2015	Regular Pmt	3,623.06	1,839.59	1,783.47	517,617.32
<b>2015 Totals:</b>			43,476.72	21,369.17	22,107.55
01-01-2016	Regular Pmt	3,623.06	1,786.67	1,836.39	515,830.65
02-01-2016	Regular Pmt	3,623.06	1,793.01	1,830.05	514,037.64
03-01-2016	Regular Pmt	3,623.06	1,917.03	1,706.03	512,120.61
04-01-2016	Regular Pmt	3,623.06	1,806.17	1,816.89	510,314.44

05-01-2016 Regular Pmt	3,623.06	1,870.98	1,752.08	508,443.46
06-01-2016 Regular Pmt	3,623.06	1,819.22	1,803.84	506,624.24
07-01-2016 Regular Pmt	3,623.06	1,883.65	1,739.41	504,740.59
08-01-2016 Regular Pmt	3,623.06	1,832.35	1,790.71	502,908.24
09-01-2016 Regular Pmt	3,623.06	1,838.85	1,784.21	501,069.39
10-01-2016 Regular Pmt	3,623.06	1,902.72	1,720.34	499,166.67
11-01-2016 Regular Pmt	3,623.06	1,852.13	1,770.93	497,314.54
12-01-2016 Regular Pmt	3,623.06	1,915.61	1,707.45	495,398.93
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2016 Totals:	43,476.72	22,218.39	21,258.33	
01-01-2017 Regular Pmt	3,623.06	1,865.49	1,757.57	493,533.44
02-01-2017 Regular Pmt	3,623.06	1,872.11	1,750.95	491,661.33
03-01-2017 Regular Pmt	3,623.06	2,047.56	1,575.50	489,613.77
04-01-2017 Regular Pmt	3,623.06	1,886.02	1,737.04	487,727.75
05-01-2017 Regular Pmt	3,623.06	1,948.53	1,674.53	485,779.22
06-01-2017 Final Pmt	487,502.66	485,779.22	1,723.44	0.00
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2017 Totals:	505,617.96	495,398.93	10,219.03	
Loan Totals:	614,309.76	550,000.00	64,309.76	

Printed on: 06-05-2014

Dam Site 15A Land Acquisition:

a.) Recommendation that the General Manager be authorized to execute a purchase agreement for Papio Dam Site 15A Project Tract 9 in the amount of \$10,000 for 1.011 acres of land; authorized to execute a purchase agreement for Papio Dam Site 15A Project Tract 11 in the amount of \$331,980 for 10.96 acres of land; and, authorized to execute a purchase agreement for Papio Dam Site 15A Project Tract 19 in the amount of \$20,720 for 0.812 acres of land, such purchase agreements to contain provisions for the owners to retain leases over such lands for the 2014 crop year (ending November 1, 2014) and such other terms and conditions as the General Manager deems necessary and Legal Counsel approves as to form.

And:

b.) BE IT RESOLVED that the General Manager be and is directed to commission the District's appraisers to review and update their appraisals of the damages due to landowners from the acquisitions by the District of the parcels of property needed for Dam Site 15A that have not yet been acquired by the District; and, upon receipt of such updates, the General Manager should be and is hereby directed to review such amounts for reasonableness and if he determines that such amounts are reasonable, the General Manager shall amend the District's offers to such landowners, for the District's purchase of such parcels, and offer the purchase offer amounts as updated by such appraisers.

**\*Agenda Item 11. A.-I. - Financials**

BE IT RESOLVED that the Treasurer is authorized to expend general funds to pay: (l) claims listed in the May, 2014, financial report; and, (2) any claims made prior to the next Board meeting for (a) earned salaries of District employees, (b) withholding taxes, (c) social security payments, (d) retirement program contributions, (e) utilities, (f) registration fees and expenses for upcoming meetings and conferences, (g) certified completed CAP and Special Project Area applications, (h) invoices which offer a credit or discount for payment made prior to the next Board meeting, (i) postage, and, (j) building and grounds contract expenses.

BE IT FURTHER RESOLVED that the Treasurer is authorized to pay, from the respective operating accounts of the Dakota County, Thurston County and Washington County Rural Water Supply System, the Elkhorn River Bank Stabilization Project, the Elkhorn Breakout Project, the Elk/Pigeon Creek Drainage Project, and the Western Sarpy Drainage District, the project bills listed on the May, 2014, financial report, and future claims for project utilities.

BE IT FURTHER RESOLVED that the financial reports be affixed to and made a part of the minutes.

**\*Agenda Item 12. – Approval of Ad Hoc Consultant Selection Subcommittee – Regional Multi-Hazards Mitigation Plan:**

Patrick Bonnett, Chairperson  
Jim Thompson, Vice-Chairperson  
Patrick Leahy  
Dave Klug

Ron Woodle  
John Conley, Alternate

BE IT RESOLVED that Ad Hoc Subcommittee appointments, as presented by the Chairperson, are hereby approved.