

**Finance, Expenditure & Legal Subcommittee
Meeting Minutes
April 6, 2010**

A meeting of the Papio-Missouri River Natural Resources District’s Finance, Expenditure & Legal Subcommittee was held at the Natural Resources Center, 8901 South 154th Street, Omaha, Nebraska, on April 6, 2010. The meeting was called to order by Chairperson Tesar at 9:25 p.m.

QUORUM CALL: Quorum call was taken. The following subcommittee members were in attendance.

Subcommittee Members Present	Subcommittee Members Absent	Other Directors Present	Others in Attendance
Rich Tesar		Jim Thompson*	John Winkler
Rick Kolowski		Scott Japp	Marlin Petermann
Larry Bradley			Carey Fry
Dorothy Lanphier			Trent Heiser
John Conley			Paul Peters
			Amanda Grint
			Lori Laster
			Brian Henkel

ADOPTION OF AGENDA

- **It was moved by Director John Conley and seconded by Director Larry Bradley that the agenda be adopted.**

Roll call was taken on the motion. The motion carried on a vote of 5 to 0.

Voting Yea: Rich Tesar, Rick Kolowski, Larry Bradley, John Conley, Dorothy Lanphier
 Voting Nay: None
 Abstaining: None
 Absent: None

PROOF OF PUBLICATION: Public notice of the meeting was posted at all District offices and published in the Omaha World-Herald on April 1, 2010. The Chairperson ordered the Proof of Publication recorded in the minutes of this meeting.

UPDATE ON PROCEDURES FOR BONDING: The Subcommittee reviewed the Post-Issuance Compliance Procedures – Federal Tax law and Disclosure Requirements for Tax-exempt bonds and/or Build American Bonds, prepared by Mike Rogers, Baird Holm. Following are the procedures:

Post-Issuance Compliance Procedures
Federal Tax Law and Disclosure Requirements for
Tax-exempt Bonds and/or Build America Bonds

Responsible Officer. Review of compliance with Federal tax requirements and securities law continuing disclosure obligations as generally outlined below shall be conducted by the General Manager of the Issuer (the “Compliance Officer”). To the extent more than one person has been delegated specific responsibilities, the Compliance Officer shall be responsible for ensuring coordination of all compliance review efforts.

Frequency of Review. A compliance review shall be conducted at least annually by or at the direction of the Compliance Officer. The annual review shall occur at the time the Issuer’s annual audit takes place, unless the Compliance Officer otherwise specifically determines a different time period would be more appropriate.

General Document Review. At the annual compliance review the following documents (the “Bond Documents”) shall be reviewed for general compliance with covenants and agreements and applicable regulations with respect to each outstanding bond issue of the Issuer:

- (a) the resolution(s), as applicable, adopted by the governing board (the “Board”) of the Issuer authorizing the issuance of its outstanding bonds, together with any designation(s) setting the final rates and terms of such bonds (the “Authorizing Proceedings”),
- (b) the tax documentation associated with each bond issue, which may include some or all of the following (the “Tax Documents”):
 - (i) certificates with respect to tax matters;
 - (ii) covenants, certifications and expectations regarding Federal tax requirements which are described in the Authorizing Proceedings;
 - (iii) Form 8038 series filed with the IRS;
 - (iv) tax compliance or tax regulatory agreement;
 - (v) instructions or memoranda with respect to rebate or private use;
 - (vi) any reports from rebate analysts received as a result of prior compliance review or evaluation efforts; and,
 - (vii) any and all other agreements, certificates and documents contained in the transcript associated with the Authorizing Proceedings.
- (c) the District’s continuing disclosure obligations, if any, contained in the Authorizing Proceedings or in a separate agreement (the “Continuing Disclosure Obligations”), and
- (d) any communications or other materials received from the Issuer or its counsel, from bond counsel, the underwriter or placement agent or its counsel, the IRS, or any other material correspondence relating to the tax-exempt status of the Issuer’s bonds.

Record Keeping. If not otherwise specified in the Bond Documents, all records related to each bond issue shall be kept for the life of the indebtedness associated with such bond issue (including all tax-exempt refundings) plus three years.

Use and Timely Expenditure of Bond Proceeds. Expenditure of bond proceeds shall be reviewed to ensure (a) such proceeds are spent for the purpose stated in the Authorizing Proceedings and as described in the tax documents and (b) that the proceeds, together with investment earnings on such proceeds, are spent within the timeframes described in the Tax Documents.

Use of Bond Financed Property. Expectations and covenants contained in the Bond Documents regarding private use shall be reviewed. Bond-financed properties shall be clearly identified (by mapping or other reasonable means). Prior to execution, the Compliance Officer (and bond counsel, if deemed appropriate by the Compliance Officer) shall review (a) all proposed leases, management contracts, sponsored research agreements, take-or-pay contracts or other agreements or arrangements or proposed uses which have the potential to give any entity any special legal entitlement to the bond-financed property, (b) all proposed agreements which would result in disposal of any bond-financed property, and (c) all proposed uses of bond-financed property which were not anticipated at the time the bonds were issued.

Arbitrage Yield Restrictions and Rebate Matters. Review of the Tax Documents regarding timely calculation and payment of any rebates and the filing of any associated returns pursuant to Section 148(f) of the Code. Any applicable yield restriction requirements in the Tax Documents and under Section 148(a) of the Code shall be reviewed and evaluated. A qualified rebate analyst shall be engaged if appropriate.

Incorporation of Tax Documents. The requirements, agreements and procedures set forth in the Tax Documents, now or hereafter in existence, are hereby incorporated into these procedures by this reference and are adopted as procedures of the Issuer with respect to the series of bonds to which such Tax Documents relate.

Continuing Disclosure. Compliance with the Continuing Disclosure Obligations with respect to each bond issue shall be evaluated to (a) ensure timely compliance with any annual disclosure requirement, and (b) ensure that any material events have been properly disclosed as required by the Continuing Disclosure Obligation.

Training. The Compliance Officer shall evaluate and review educational resources regarding post-issuance compliance with Federal tax and securities laws, including periodic review of resources published for issuers of tax-exempt obligations by the Internal Revenue Service (either on its website at <http://www.irs.gov/taxexemptbond>, or elsewhere) and the Municipal Securities Resources Board (either on its Electronic Municipal Market Access website ["EMMA"] at <http://www.emma.msrb.org>, or elsewhere).

Consultation Regarding Questions or Concerns. Any questions or concerns which arise as a result of the annual review by the Compliance Officer shall be raised by the Compliance Officer with the Issuer's bond underwriter, Issuer's counsel or with bond counsel to determine whether non-compliance exists and what measures should be taken with respect to any non-compliance. Currently, the Issuer's bond underwriter is D.A. Davidson & Co.; Issuer's counsel is Paul Peters; and bond counsel for the Issuer's bonds is Baird Holm LLP.

VCAP and Remedial Actions. The Issuer is aware of (a) the Voluntary Closing Agreement Program (known as "VCAP") operated by the Internal Revenue Service which allows issuers to voluntarily enter into a closing agreement in the event of certain non-compliance with Federal tax requirements and (b) the remedial actions available under Section 1.141-12 of the Income

Tax Regulations for private use of bond financed property which was not expected at the time the bonds were issued.

No action was taken

ADJOURNMENT: Being no further business, the meeting adjourned by acclamation at 9:46 p.m.

/pt/com/fel/2010/april/apr10_fel_minutes