

**MINUTES OF MEETING**  
**OF**  
**SANITARY AND IMPROVEMENT DISTRICT NO. 1**  
**OF CASS COUNTY, NEBRASKA**

A meeting of the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, was convened in open and public session at 4:00 p.m. on the 22nd day of October, 2014, at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present: Gary Kaplan, Jon Meyers, Phillip G. Wright, Wayne Breyfogle and Hugh Abrahamson. Also present: Jim Noerrlinger, Caretaker of Lake Wa-Con-Da, Kraig Thelen, and Daren Konda of Thompson, Dreessen & Dorner, Inc.

Absent: None.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on October 16, 2014, a copy of the proof of publication being attached to these minutes. 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 agenda was at all times available at the office for the District at Regency Center, Suite 300, 10250 Regency Circle, Omaha, Nebraska 68114.

It was first 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.

Counsel for the District first presented the Certificate of Results of the Election from the Cass County Election Commissioner with respect to the District's election of September 9, 2014. Such certificate indicated that Gary Kaplan, Jon Meyers, Phillip G. Wright, Wayne Breyfogle and Hugh Abrahamson had been elected to serve for a two (2) year term for the Board. It was indicated that each of such individuals were owners or designees of owners of real estate within the District boundaries (*as defined by Section 31-727(3) Reissue Rev. Stat. of Neb. 1943*) and, as a consequence, qualified to serve in such capacity. Each individual being in attendance at the meeting indicated a willingness to accept the position of Trustee on the Board.

Discussion was next had with respect to the outstanding matters of the District and the powers and responsibilities of the Board in general. Discussion was also had with respect to the powers and responsibilities of the positions of Chairman and Clerk of the District. Upon conclusion of such discussion, the following roll call vote was taken during which the Trustees: Phillip G. Wright, Wayne Breyfogle and Hugh Abrahamson voting "Aye", with none voting "Nay", and Gary Kaplan and Jon Meyers abstaining, thereby adopting and approving the following resolution:

RESOLVED, that Gary Kaplan be hereby elected to serve in the capacity of Chairman for Sanitary and Improvement District No. 1 of Cass County, Nebraska, until the next regularly scheduled election of the Board of Trustees.

FURTHER RESOLVED, that Jon Meyers be hereby elected to serve in the capacity of Clerk for Sanitary and Improvement District No. 1 of Cass County, Nebraska, until the next regularly scheduled election of the Board of Trustees.

There was next presented correspondence from D.A. Davidson & Co., the District's fiscal agent, indicating that Johnson's Gas-N-Go, had lost, misplaced or mishandled General Fund Warrant No. 4741. Also presented was the Indemnity Agreement of such warrant holder as an inducement to reissue such warrants as an "R" warrant. Upon discussion of this matter, the following resolution was duly made and seconded, whereupon a roll call vote was taken during which the Trustees, Gary Kaplan, Jon Meyers, Phillip G. Wright, Wayne Breyfogle and Hugh Abrahamson voted "Aye," with none voting "Nay," thereby approving the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that General Fund Warrant No. 4741, payable to Johnson's Gas-N-Go be and hereby is replaced with General Fund Warrant No. 4741"R".

FURTHER RESOLVED, that the Clerk of the District be and hereby is authorized to notify the Cass County Treasurer of such cancellation so that such warrant may be reflected on his records as well as noting such cancellation on the records of the District.

1. Sanitary and Improvement District No. 1 of Cass County, Nebraska ("SID No. 1") hereby finds and determines that it has outstanding warrant which has been lost/misplaced or destroyed; this warrant being General Fund Warrant No. 4741, in the amount of \$378.64 which had previously been issued and was to be paid to Johnson's Gas-N-Go. This warrant has been lost in the mail, misplaced or destroyed and that it is necessary for a replacement warrant to be issued. Said replacement warrant is to be issued for the same principal amount and at the same rate of interest as the original warrant. This replacement warrant is to be issued with a letter "R" affixed after the warrant numbers. Said replacement warrant is to be re-registered by D.A. Davidson & Co. after proper documentation has been provided to include an affidavit evidencing the loss of said warrant and a satisfactory indemnification for any loss, liability, damage, or expense which the District, or the Cass County Treasurer may incur if said original warrant is later presented for payment and paid.
2. That satisfactory evidence of loss or misplacement or destruction of the aforesaid warrant and adequate indemnification agreement are to be delivered to D.A. Davidson & Co. and the Treasurer of Cass County, Nebraska as ex-officio Treasurer of the District and that the Cass County Treasurer be and hereby is authorized, instructed and directed to make payment of the amount due on said replacement Warrant No. 4741"R" in lieu of the presentation of original Warrant No. 4741.

There was next presented Change Order No. 1 with regard to Lake Wa-Con-Da 2014 Asphalt Repair, which will result in an additional Two Thousand Nine Hundred Sixty-Nine and no/100 Dollars (\$2,969.00) being added to the contract granted to Oldcastle Materials Midwest Co. After discussion by the Board, the following resolution was duly moved and seconded, and upon a roll call vote of the Trustees, Gary Kaplan, Jon Meyers, Phillip G. Wright, Wayne Breyfogle and Hugh Abrahamson voted "Aye" with none voting "Nay" thereby passing and adopting the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that Change Order No. 1 to the Lake Wa-Con-Da 2014 Asphalt Repair project resulting in an additional amount of \$2,969.00 being added to the contract granted to Oldcastle Materials Midwest Co., be accepted and approved and that the Chairman and Clerk

of the District be and they hereby are authorized and directed to execute Change Order No. 1 for and on behalf of the District.

The Board was next presented with consideration of its outstanding bills and invoices.

The Clerk next presented to the Board the final estimate with regard to Lake Wa-Con-Da 2014 Asphalt Repair and its installation by Oldcastle Materials Midwest Co., which recommended that a final and complete payment be made in the total amount of Nine Thousand Seven Hundred Sixty and 32/100 Dollars (\$9,760.32) with such being final payment and the final estimate for work completed on such project. The Clerk also presented the Certificate of Completion from the District's engineers, Thompson, Dreessen & Dorner, Inc., recommending that final payment and acceptance of such project be made by the District. Upon a motion duly made and seconded, and upon the following roll call vote, the Trustees, Gary Kaplan, Jon Meyers, Phillip G. Wright, Wayne Breyfogle and Hugh Abrahamson voted "Aye" with none voting "Nay" thereby passing and adopting the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that the District's project entitled Lake Wa-Con-Da 2014 Asphalt Repair be accepted as completed in accordance with recommendation of the District's engineers, Thompson, Dreessen & Dorner, Inc. and that final payment be made in the following scheduled amount:

<u>Contractor</u>	<u>Amount</u>
Oldcastle Materials Midwest Co.	\$9,760.32

There were next presented statements from Nebraska Public Power District, for lighting at Highway 75, from September 15, 2014, through October 15, 2014, having a credit balance in the amount of Ninety-Nine and 58/100 Dollars (\$99.58).

There were next presented statements of Summary Account #5843000090 from Omaha Public Power District, for street lights and other electrical services, in the aggregate amount of Four Thousand Eight Hundred Four and 02/100 Dollars (\$4,804.02).

There was next presented a statement from Grace/Mayer Insurance Agency, Inc., for work comp renewal, Invoice #1085393, in the amount of One Thousand and no/100 Dollars (\$1,000.00).

There were next presented statements from Nebraska Public Health Environmental Laboratory, for well water testing, as follows: (i) Invoice #455399, in the amount of Four Hundred Fifty-Five and no/100 Dollars (\$455.00), and (ii) Invoice #456458, in the amount of Fifteen and no/100 Dollars (\$15.00); said statements being in the aggregate amount of Four Hundred Seventy and no/100 Dollars (\$470.00).

There were next presented statements from One Call Concepts, Inc., for line locates within the District, as follows: (i) Invoice #4080574, in the amount of Three and 30/100 Dollars (\$3.30), and (ii) Invoice #4090572, in the amount of Seventy-Five Cents (\$.75); said statements being in the aggregate amount of Four and 05/100 Dollars (\$4.05). **The Board was next reminded that it has a credit balance and no payment is due at this time.**

There was next presented a statement from Midwest Laboratories, Inc., for water samples at the lake, Invoice #736748, in the amount of One Hundred Seventy-Four and 50/100 Dollars (\$174.50).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed through September 30, 2014, in the amount of Three Thousand Fifty-Eight and no/100 Dollars (\$3,058.00), and costs advanced in the amount of Five Hundred Eighteen

and 58/100 Dollars (\$518.58); said statement being in the aggregate amount of Three Thousand Five Hundred Seventy-Six and 58/100 Dollars (\$3,576.58).

There was next presented invoices from Jim Noerrlinger, requesting reimbursement be made for miscellaneous District maintenance, as follows: (i) Invoice #1684, from Sherman Company LLC, for well maintenance, in the amount of Two Thousand Six Hundred Seventy-Four and no/100 Dollars (\$2,674.00), (ii) Invoice #0173653-IN, from ASP Enterprises, for straw blanket, in the amount of Two Hundred Fourteen and 17/100 Dollars (\$214.17), (iii) Invoice #4866, from Great Plains Well Service, for new pump and tank for farm water supply, in the amount of Two Thousand Six Hundred Sixty and no/100 Dollars (\$2,660.00), and (iv) Invoice #548, from Noerrlinger Construction Inc., for equipment rental and steel, in the amount of One Thousand Five Hundred Twelve and 75/100 Dollars (\$1,512.75); said statements being in the aggregate amount of Seven Thousand Sixty and 92/100 Dollars (\$7,060.92).

The Board next discussed a method to facilitate the timely payment of charges to the Lake Waconda Association to avoid timing lags between meetings of the District. It was determined that the Board would authorize the payment of four installments for the period of July 1, 2014, October 1, 2014, January 1, 2015 and April 1, 2015, each in the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), with delivery of such warrants to be delayed until approved by the District's clerk. Thereafter, upon a motion duly made and seconded and upon a roll call vote, all the Trustees, Gary Kaplan, Jon Meyers, Phillip Wright, Wayne Breyfogle and Hugh Abrahamson voted "Aye" with none voting "Nay" thereby adopting these payments to the Lake Waconda Association.

The previously described bills, invoices, recommendations and statements having been presented for the Board's consideration and after review and discussion of such items, the following resolution was duly moved and passed on a 5-0 vote, with any other exceptions duly noted above:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that the Chairman and Clerk be and they hereby authorized and directed to execute and deliver Warrant Nos. 4868 through 4880, of the District, dated the date of this meeting, to the following payees and in the following amounts, said Warrants to be drawn on the General Fund of the District and to draw interest at the rate of six percent (6%) per annum and to be redeemed no later than October 22, 2017, subject to extension of said maturity date by order of the District Court of Cass County, Nebraska, after notice is given as required by law, to-wit:

Warrant No. 4868, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4869, for the amount of Four Thousand Seven Hundred Sixty and 32/100 Dollars (\$4,760.32), payable to Oldcastle Materials Midwest Co.

Warrant No. 4870, for the amount of Four Thousand Eight Hundred Four and 02/100 Dollars (\$4,804.02), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 4871, for the amount of One Thousand and no/100 Dollars (\$1,000.00), payable to Grace/Mayer Insurance Agency, Inc.

Warrant No. 4872, for the amount of Four Hundred Seventy and no/100 Dollars (\$470.00), payable to Nebraska Public Health Environmental Laboratory.

Warrant No. 4873, for the amount of One Hundred Seventy-Four and 50/100 Dollars (\$174.50), payable to Midwest Laboratories, Inc.

Warrant No. 4874, for the amount of Three Thousand Five Hundred Seventy-Six and 58/100 Dollars (\$3,576.58), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 4875, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4876, for the amount of Two Thousand Sixty and 92/100 Dollars (\$2,060.92), payable to Jim Noerrlinger.

Warrant No. 4877, for the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), payable to Lake Waconda Association.

Warrant No. 4878, for the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), payable to Lake Waconda Association.

Warrant No. 4879, for the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), payable to Lake Waconda Association.

Warrant No. 4880, for the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), payable to Lake Waconda Association.

FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that both they and the district hereby find and determine and covenant, warrant and agree as follows: the improvements and/or facilities being financed or refinanced by the above Warrants are for essential governmental functions and are designed to serve members of the general public on an equal basis; all said improvements have from the time of their first acquisition and construction been owned, are owned and are to be owned by the District or another political subdivision; to the extent special assessments have been or are to be levied for any of said improvements, such special assessments have been or are to be levied under Nebraska law as a matter of general application to all property specially benefited by said improvements in the District; the development of the land in the District is for residential or commercial use and the development of the land in the District for sale and occupation by the general public has proceeded and is proceeding with reasonable speed; other than any incidental use of said improvements by a developer during the initial period of development of said improvements, there have been, are and will be no persons with rights to use such improvements other than as members of the general public; none of the proceeds of said Bonds or any refinanced indebtedness have been or will be loaned to any private person or entity; the District hereby authorizes and directs the Chairperson or Clerk to file or cause to be filed, when due, an information reporting form pursuant to Section 149(e) of the Internal Revenue Code of 1986, as amended, pertaining to the above Warrants; and the District does not reasonably expect to sell or otherwise dispose of said improvements and/or facilities, in whole or in part, prior to the last maturity of the above Warrants.

FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass 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.

FURTHER RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass 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 Cass 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) ten percent (10%) of the net principal proceeds of the above Warrants, (b) the maximum annual debt service due on the above Warrants, or (c) one hundred twenty-five percent (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 thirteen (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 thirteen (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.

Daren Konda of Thompson, Dreessen & Dorner, Inc., made a report regarding the status of all of the pending projects undertaken by the District. He indicated that many of the projects had been completed, with the balance being very close to completion. The Board discussed having a meeting in November for purposes of finalizing these projects and making final payments in accordance with the recommendations from the engineers. Discussion was had regarding future projects, as well as the installation of a new drive for the drainage pump, road resurfacing (Phase 2) and stabilization of the borrow pit. The Board authorized the purpose of a variable frequency drive to make the drainage pump operable for \$9,947.05, subject to Mr. Konda determining whether Omaha Public Power District could provide an alternative power source at a cheaper price and ongoing rate.

The Board next discussed a tree planting program administered under a grant protocol by the Nebraska Forestry Department. The Board authorized proceeding with such a program, as well as coordinating with a resident from the District who is willing to match whatever funds were obtained for planting of trees within the District.

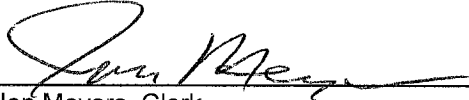
Kraig Thelen gave a report on the status of the various District appeals and expectations as far as the funding of such appeals. To date, all appeals which have been decided have been successful.

The Lake Wa-Con-Da Homeowners Association Caretaker, Jim Noerrlinger, next gave a report as to the status of various projects in the District. Discussion was had regarding the level of the lake, moist ground conditions as it related to the various septic tank laterals and the condition of the Caretaker's home. At the conclusion of such discussion, the Board authorized the purchase of a wood burning stove for heating purposes in an amount not to exceed \$5,000.00. The Board further authorized the purchase of Pella windows. Decisions on re-siding of the District's residence and storage facility were tabled.

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SIGNATURES APPEAR ON THE FOLLOWING PAGE]**

There was next reviewed the Agenda which had been available for public inspection in accordance with the law prior to this meeting of the Board of Trustees and reported that all matters considered by the Board at this meeting appeared on the Agenda.

Jon Meyers, as Clerk for Sanitary and Improvement District No. 1 of Cass County, Nebraska (the "District") does hereby certify that the above proceedings are a true and accurate statement of the proceedings had by the District at its October 22, 2014, meeting.

  
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Jon Meyers, Clerk