

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 11:30 a.m. on the 13th day of July, 2014, at Cobb Community Center located within the Lake Wa-Con-Da subdivision in Union, Nebraska.

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

Absent: Wayne Breyfogle.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on July 10, 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.

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

There was next presented a statement from First National Bank of Omaha, for paying agent fees for Series 2011 and Series 2012, Invoice dated June 24, 2014, in the amount of One Thousand Four Hundred and no/100 Dollars (\$1,400.00).

The Clerk next presented to the Board the final estimate with regard to 2013 Sand Placement (Lake Wa-Con-Da) and its installation by Mark Hughes Construction, which recommended that a final and complete payment be made in the total amount of Fifty-Seven Thousand Four Hundred Nine and 70/100 Dollars (\$57,409.70) 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 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 2013 Sand Placement (Lake Wa-Con-Da) 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>
Mark Hughes Construction	\$57,409.70

The Clerk next directed the attention of the Board of Trustees to the fact that D.A. Davidson & Co. will purchase Fifty-Eight Thousand Eight Hundred Nine and 70/100 Dollars (\$58,809.70) in warrants at this time and that the contracted charge for such purchase of warrants is three percent (3%) or One Thousand Seven Hundred Sixty-Four and 29/100 Dollars (\$1,764.29) in accordance with the financing agreement previously adopted by the Board. The Chairman recommended the issuance of a warrant for such amount to D.A. Davidson & Co.

There was next presented a statement of Summary Account #5843000090 from Omaha Public Power District, for street lights and other electrical services, in the amount of One Thousand Nine Hundred Seventy and 32/100 Dollars (\$1,970.32).

There were next presented statements from Midwest Farmers Cooperative, for purchases made, statement dated June 30, 2014, as follows: (i) statement dated June 30, 2014 in the amount of Four Hundred Fifty-Five and 81/100 Dollars (\$455.81), and (ii) Payment recommendation from Diane Bennett of Lake Waconda Association, Invoice #002222, , in the amount of Two Hundred Twenty-Seven and 73/100 Dollars (\$227.73); said statements being in the aggregate amount of Six Hundred Eighty-Three and 54/100 Dollars (\$683.54).

There was next presented a statement from Meeske Ace Hardware, for miscellaneous purchases for the District, statement dated June 30, 2014, in the amount of Seventy-Seven and 49/100 Dollars (\$77.49).

There was next presented a statement from One Call Concepts, Inc., for line locates within the District, Invoice #4060563, in the amount of One and 85/100 Dollars (\$1.85). **The Board was next reminded that it has a credit balance at this time.**

There was next presented correspondence from Diane Bennett, of Lake Waconda Association, recommending payment to be made to Noerlinger Construction Inc., for skid loader rental and miscellaneous District maintenance, Invoice #544, in the amount of Nine Hundred Sixty-Three and 75/100 Dollars (\$963.75).

There was next presented correspondence from Diane Bennett, of Lake Waconda Association, recommending payment to be made to Johnson's Gas-N-Go, for the purchase of diesel fuel, statement dated July 1, 2014, in the amount of Three Hundred Seventy-Eight and 64/100 Dollars (\$378.64).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed in miscellaneous District matters, in the amount of Two Thousand Eight Hundred Ninety-Six and no/100 Dollars (\$2,896.00), and costs advanced in the amount of Seventeen and 94/100 Dollars (\$17.94); said statement being in the amount of Two Thousand Nine Hundred Thirteen and 94/100 Dollars (\$2,913.94).

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 4-0 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. 4723 through 4736, of the District, dated the date of this meeting, to the following payee and in the following amounts, said Warrants to be drawn on the **BOND** Fund of the District and to draw interest at the rate of seven percent (7%) per annum (interest to be payable on February 10 of each year) and to be redeemed no later than July 13, 2019, 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. 4723, for the amount of One Thousand Four Hundred and no/100 Dollars (\$1,400.00), payable to First National Bank of Omaha.

Warrant Nos. 4724 through 4734, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4735, for the amount of Two Thousand Four Hundred Nine and 70/100 Dollars (\$2,409.70), payable to Mark Hughes Construction.

Warrant No. 4736, for the amount of One Thousand Seven Hundred Sixty-Four and 29/100 Dollars (\$1,764.29), payable to D.A. Davidson & Co.

FURTHER 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. 4737 through 4742, 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 July 13, 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. 4737, for the amount of One Thousand Nine Hundred Seventy and 32/100 Dollars (\$1,970.32), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 4738, for the amount of Six Hundred Eighty-Three and 54/100 Dollars (\$683.54), payable to Midwest Farmers Cooperative.

Warrant No. 4739, for the amount of Seventy-Seven and 49/100 Dollars (\$77.49), payable to Meeske Ace Hardware.

Warrant No. 4740, for the amount of Nine Hundred Sixty-Three and 75/100 Dollars (\$963.75), payable to Noerlinger Construction, Inc.

Warrant No. 4741, for the amount of Three Hundred Seventy-Eight and 64/100 Dollars (\$378.64), payable to Johnson's Gas-N-Go.

Warrant No. 4742, for the amount of Two Thousand Nine Hundred Thirteen and 94/100 Dollars (\$2,913.94), payable to Pansing Hogan Ernst & Bachman LLP.

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.

There was next presented Change Order No. 1 with regard to Lake Wa-Con-Da 2014 Chip Seal, which, because of the excessive wet weather in June, 2014, extends the completion date to August 8, 2014, and increases the penalty, if work is not completed by August 8, 2014 *{reminder - FEMA completion date is August 12, 2014}*, on the contract granted to Sta-Bilt Construction Company. 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 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 Chip Seal project resulting in the extension of the completion date to August 8, 2014, and an increase in the penalty if work is not completed by August 8, 2014, on the contract granted to Sta-Bilt Construction Company, 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.

Daren Konda next suggested that the District apply for up to \$15,000 in state funds to better secure the drinking water well backup generator and other security upgrades. The District's participation would be ten percent (10%). Mr. Konda was directed to prepare the MSA and the Clerk of the District was directed to sign and submit the required application.

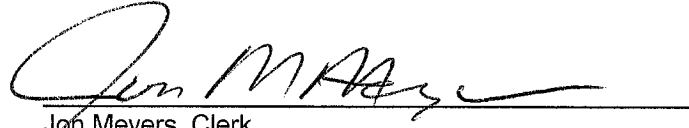
Kraig Thelen next reported that FEMA has:

- Paid \$60,917.07
- Approved payment - \$1,714,757.60 *(which is 75% of \$2,286,343.46 expenses)*
- Still remaining - \$330,048.62 *(which is 75% of \$440,064.83 expenses)*

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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 July 13, 2014, meeting.


Jon Meyers, Clerk