

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 11:00 a.m. on the 25th day of June, 2014, at Regency Center, 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present: Gary Kaplan, Jon Meyers, Phillip G. Wright and Hugh Abrahamson. Also present: Jim Noerrlinger, Caretaker of Lake Wa-Con-Da, and Craig Thelen.

Absent: Wayne Breyfogle.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on June 19, 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.

There was next presented Change Order No. 2 with regard to Lake Wa-Con-Da 2013 Sand Placement, which will result in Nine Hundred Twenty-Seven and 50/100 Dollars (\$927.50) being deducted from the contract granted to Mark Hughes Construction. 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. 2 to the Lake Wa-Con-Da 2013 Sand Placement project resulting in \$927.50 being deducted from the contract granted to Mark Hughes Construction, 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. 2 for and on behalf of the District.

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

There was next presented a statement Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Kerns Excavating Co., Inc., for services rendered in connection with the project entitled Lake Wa-Con-Da 2013 Road Grading, **REVISED** Payment Recommendation No. 1, in the amount of Forty Thousand Seven Hundred Thirty-Two and 20/100 Dollars (\$40,732.20).

There was next presented a statement Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Kerns Excavating Co., Inc., for services rendered

in connection with the project entitled Lake Wa-Con-Da 2013 Road Restoration, Payment Recommendation No. 2, in the amount of One Hundred Eight Thousand Nine Hundred Seventy-Five and 71/100 Dollars (\$108,975.71).

There were next presented invoices from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in construction-related matters, as follows: (i) Invoice #104852, in the amount of Sixteen Thousand Seven Hundred Sixty-One and 05/100 Dollars (\$16,761.05), (ii) Invoice #104853, in the amount of One Thousand Four Hundred Seventy-Seven and 25/100 Dollars (\$1,477.25), (iii) Invoice #104854, in the amount of Two Hundred Seventy-Two and 25/100 Dollars (\$272.25), (iv) Invoice #104855, in the amount of Six Hundred Forty-Four and 51/100 Dollars (\$644.51), and (v) Invoice #104857, in the amount of Two Hundred Thirty and no/100 Dollars (\$230.00); said statements being in the aggregate amount of Nineteen Thousand Three Hundred Eighty-Five and 06/100 Dollars (\$19,385.06).

The Clerk next directed the attention of the Board of Trustees to the fact that D.A. Davidson & Co. will purchase One Hundred Sixty-Nine Thousand Ninety-Two and 97/100 Dollars (\$169,092.97) in warrants at this time and that the contracted charge for such purchase of warrants is three percent (3%) or Five Thousand Seventy-Two and 79/100 Dollars (\$5,072.79) 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 were next presented statements from Nebraska Public Power District, for lighting at Highway 75, from April 16, 2014, through June 15, 2014, having a credit balance in the amount of One Hundred Seventy-One and 22/100 Dollars (\$171.22).

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 Two Thousand Nine Hundred Forty and 68/100 Dollars (\$2,940.68).

There were next presented statements from Nebraska Public Health Environmental Laboratory, for well water testing, as follows: (i) Invoice #451145, in the amount of One Hundred Two and no/100 Dollars (\$102.00), (ii) Invoice #452246, in the amount of Fifteen and no/100 Dollars (\$15.00), (iii) Invoice #452247, in the amount of Forty-Five and no/100 Dollars (\$45.00); said statements being in the aggregate amount of One Hundred Sixty-Two and no/100 Dollars (\$162.00).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Commercial Seeding Contractors, for installation of silt fence for erosion control, Invoice #13692, in the amount of Two Thousand Five Hundred Thirty-Four and 94/100 Dollars (\$2,534.94).

There was next presented a statement from One Call Concepts, Inc., for line locates within the District, Invoice #4050560, in the amount of Four and 10/100 Dollars (\$4.10). **The Board was next reminded that it has a credit balance at this time.**

There was next presented a statement from Meeske Ace Hardware, for miscellaneous purchases for the District, statement dated May 31, 2014, in the amount of Twelve and 77/100 Dollars (\$12.77).

There were next presented statements from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in miscellaneous District maintenance through June 1, 2014, as follows: (i) Invoice #104851, in the amount of One Thousand Five Hundred Eighty-Three and 90/100 Dollars (\$1,583.90), and (ii) Invoice #104856, in the amount of One Hundred Sixteen and 69/100 Dollars (\$116.69); said statements being in the aggregate amount of One Thousand Seven Hundred and 59/100 Dollars (\$1,700.59).

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 Seven Hundred Sixty-Six and 50/100 Dollars (\$2,766.50), and costs advanced in the amount of Ninety and no/100 Dollars (\$90.00); said statement being in the amount of Two Thousand Eight Hundred Fifty-Six and 50/100 Dollars (\$2,856.50).

There was next presented invoices from Jim Noerrlinger, requesting reimbursement be made to Lake Waconda Association for miscellaneous District maintenance, as follows: (i) Invoice from Noerrlinger Construction Inc., for miscellaneous District maintenance, in the amount of Four Hundred Twenty-Two and 50/100 Dollars (\$422.50), (ii) Invoice from Neptune Sprinkler System, for sprinkler repairs at the caretaker house, in the amount of Four Hundred Thirty and no/100 Dollars (\$430.00), (iii) Invoice from Schram's Drill Seeding, Invoice #882131, in the amount of One Hundred Sixty-Nine and no/100 Dollars (\$169.00), (iv) Invoice #2830, from Wiles Bros Fertilizer, Inc., for spraying commons ground and levee, in the amount of One Hundred Seventy-Nine and 25/100 Dollars (\$179.25), and (v) Invoice #2892, from Wiles Bros Fertilizer, Inc., for spraying commons ground and levee, in the amount of Five Hundred Thirty-Seven and 75/100 Dollars (\$537.75); said statements being in the aggregate amount of One Thousand Seven Hundred Thirty-Eight and 50/100 Dollars (\$1,738.50).

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. 4679 through 4715, 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 June 25, 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 Nos. 4679 through 4686, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4687, for the amount of Seven Hundred Thirty-Two and 20/100 Dollars (\$732.20), payable to Kerns Excavating Co., Inc.

Warrant Nos. 4688 through 4708, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4709, for the amount of Three Thousand Nine Hundred Seventy-Five and 71/100 Dollars (\$3,975.71), payable to Kerns Excavating Co., Inc.

Warrant Nos. 4710 through 4712, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4713, for the amount of Four Thousand Three Hundred Eighty-Five and 06/100 Dollars (\$4,385.06), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 4714, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4715, for the amount of Seventy-Two and 79/100 Dollars (\$72.79), 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. 4716 through 4722, 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 June 25, 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. 4716, for the amount of Two Thousand Nine Hundred Forty and 68/100 Dollars (\$2,940.68), payable to Omaha Public Power District, Account #584300090.

Warrant No. 4717, for the amount of One Hundred Sixty-Two and no/100 Dollars (\$162.00), payable to Nebraska Public Health Environmental Laboratory.

Warrant No. 4718, for the amount of Two Thousand Five Hundred Thirty-Four and 94/100 Dollars (\$2,534.94), payable to Commercial Seeding Contractors.

Warrant No. 4719, for the amount of Twelve and 77/100 Dollars (\$12.77), payable to Meeske Ace Hardware.

Warrant No. 4720, for the amount of One Thousand Seven Hundred and 59/100 Dollars (\$1,700.59), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 4721, for the amount of Two Thousand Eight Hundred Fifty-Six and 50/100 Dollars (\$2,856.50), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 4722, for the amount of One Thousand Seven Hundred Thirty-Eight and 50/100 Dollars (\$1,738.50), 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.

There was next presented a receipt from State of Nebraska representing a deposit to the District's general fund, for 2010 flooding payment from FEMA, in the amount of Fifty-Five Thousand Two Hundred Thirty-One and 21/100 Dollars (\$55,231.21).

Kraig Thelen made a presentation on the status of appeals of various reimbursement applications of the District relating to the 2011 flood. The Board reviewed reimbursements received to date, as well as the status of the more major reimbursements anticipated in the near future. It was indicated that most reimbursements which come from federal agencies would not be paid until removal or restoration work was completed.

Daren Konda of Thompson, Dreessen & Dornier, Inc., next presented an agenda for discussion of the status of various projects of the District. A copy of such agenda is attached to the minutes. Mr. Konda indicated that all work related to Change Order No. 2 for Mark Hughes Construction had been done and approved by the Board. Item No. 2 relating to the 2013 Road Restoration project would be finished during the last full week of June with the 2014 Road Grading having a walk-through scheduled this week for its completion. The chip seal work would begin on approximately July 7, 2014, with the asphalt repair work on schedule for the week of July 21, 2014. It was indicated to the Board that the wetland restoration project was on hold given the flooding conditions existent in the area and in all likelihood would be accomplished in the fall. Additionally, the levee surface repair work would be likely done in the fall also.

The Board next reviewed its policy of allowing lateral fields on SID property. After extensive discussion, the Board concluded that all sewer/septic lines connecting the individual homes with lateral fields should be enclosed in casings. The previously existing policy of presenting a survey of the proposed lateral field area would be extended with the additional requirement that an "as-built" drawing showing the actual location of the lateral field after completion of construction, should be presented to the District for filing with the Cass County Register of Deeds office. Daren Konda was directed by the Board to prepare and present a written policy to this effect for future utilization by the District.

Jim Noerrlinger next made a presentation regarding both flood conditions at the Lake and water system repairs. Mr. Noerrlinger indicated that while there had been some seepage during the high water times in the Missouri River, there had been no boils or serious threats to the District's levee. Along those lines, the Board also discussed in general with Mr. Konda that the Board would like to have a report prepared on the septic tank situation in the District, with concentration on funding sources for a central sanitary sewer system, as well as a study of the cost of installing such a system at some point.

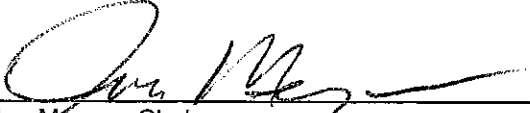
The Board indicated that Phil Wright would be testing Fremont County, Iowa's new fix for their 911 call forwarding system.

Finally, Jon Meyers and Daren Konda indicated that there had been certain problems associated with street restoration work, but all such problems had been resolved or would be resolved when the chip seal project was completed.

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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 June 25, 2014, meeting.



Jon Meyers, Clerk