

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 18th day of February, 2015, at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

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

Absent: Gary Kaplan and Wayne Breyfogle.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on February 12, 2015, 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 the proof of publication of the Notice to Contractors for the construction of the improvements entitled Lake Wa-Con-Da 2015 Chip Seal project.

There was then presented the list of bids and bidders for such work specified within the Notice to Contractors with such bids having been taken on January 29, 2015, in accordance with the provisions of such Notice to Contractors. The bids having been individually reviewed by Thompson, Dreessen & Dorner, Inc., the District's engineers, and upon completion of such review, the engineers have submitted their Letter of Recommendation which was directed to be attached along with a copy of the bid tabulations to these minutes.

After the Trustees had received the Letter of Recommendation directed to the District, it was reported that the recommendation of the engineers was the bid of Kerns Excavating Co. for Lake Wa-Con-Da 2015 Chip Seal project in the amount of One Hundred Forty-Eight Thousand Ninety-Two and no/100 Dollars (\$148,092.00) and that such amount be accepted. The Board was reminded that the Engineer's estimate of the construction cost of this project was One Hundred Fourteen Thousand Five Hundred Five and no/100 Dollars (\$114,505.00). The District's engineers then indicated that it was their opinion that the rebidding of such project would likely yield no more beneficial pricing to the District than that presented by the previously specified bid and again recommended acceptance of such bid. It was further reported that the bid of Kerns Excavating Co. was accompanied by the required bid bond, contract and maintenance bond in the amount of 100% of the contract price.

There was then discussion among the Trustees regarding the manner in which the project could be rebid or renegotiated. It was generally discussed that the one bid received was significantly higher than expected; however, this was compared to the likely additional patching and annual cost increases if the

project was delayed until 2016. The Trustees generally found that the most reasonable and cost effective decision would be to have the work done in 2015.

The Trustees then asked the District's engineers if there was anything that could be done to encourage more bidding or to reduce costs. The District's engineers indicated that as there was only one bid provided, it would be possible to reach out to additional bidders and ask whether they would bid if the project was relet. However, as the amount of the bid received is now a matter of public record, it would be unlikely to see a significant cost savings, in particular, when factoring in the cost of putting the project back out to bid. It was also discussed that potentially the project could be rebid separating the paving work and the storm sewer work. The District's engineers indicated that there was a chance that out-of-town bidders might bid the project only for the paving work, if they did not need to coordinate with local storm sewer contractors. However, the District's engineers again stated that the size of the project was not sufficient to draw significant out-of-town interest.

The District's engineers reported that the bid received from Kerns Excavating Co. was a thirty (30) day bid and would be held open until March 14, 2015. The Trustees agreed to address the matter at a meeting to be held before that date. It was noted that if the bid was rejected and the Board determines that the project should be rebid, the Board will propose a new resolution of necessity and advisability and notice to contractors at that time.

There was next a discussion regarding the potential rental of pump equipment from Nebraska Machine Company. The District's engineers provided the rental rates for equipment, but noted that such rates were based upon availability. The District's engineers also explained that Nebraska Machine Company has a reserve program whereby they would agree to hold certain equipment and make it specifically available for a customer in exchange for a nonrefundable deposit. The Trustees generally discussed that a decision could be made, in anticipation of flood season, to reserve such equipment based upon flood forecasts. There was also discussion as to whether the cost of such deposit would be high enough, over the course of the contract term, to require the project to be let to bid.

There was next discussion regarding seeding and shaping projects to be completed in the Spring of 2015; the District's engineers generally explained the requirement for reshaping and reseeded to maintain the levee and other areas in accordance with the Corps repair authorization.

There was next a discussion regarding the OPPD tree planting program and subsidies for installation of certain trees. The Trustees generally discussed that as a matter of fiscal responsibility, tree installation would not be proper at this time.

There was next a discussion regarding relocation of farming activities away from the toe area of the levee. The District's engineers discussed the advisability of easements allowing access over and across Noerrlinger Farms property. The District's engineers agreed to provide exhibits for the preparation of such easements and to work with legal counsel in preparing the same.

There was next a discussion regarding equipment and supplies on hand. The District's engineers and the lake manager provided a list of equipment, as well as photographs, of the equipment on hand, to be held by the District's engineers' office and the office of legal counsel so that, in case of an emergency, there were multiple sources of equipment inventories and locations.

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

There was next presented a statement from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services provided in construction-related matters concerning the Emergency Flood Fighting Levee Improvements, Invoice #108398, in the amount of Four Thousand Six Hundred Thirty and 40/100 Dollars (\$4,630.40).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed in FEMA Appeal matter, in the amount of One Thousand Seven Hundred Twenty-Eight and no/100 Dollars (\$1,728.00).

The Clerk next directed the attention of the Board of Trustees to the fact that D.A. Davidson & Co. will purchase Six Thousand Three Hundred Fifty-Eight and 40/100 Dollars (\$6,358.40) in warrants at this time and that the contracted charge for such purchase of warrants is three percent (3%) or One Hundred Ninety and 75/100 Dollars (\$190.75) 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 Two Thousand Three Hundred Seventy-Five and 63/100 Dollars (\$2,375.63).

There were next presented statements from One Call Concepts, Inc., for line locates, as follows: (i) Invoice #4120570, in the amount of Seventy-Five Cents and no/100 Dollars (\$.75), and (ii) Invoice #5010573, in the amount of Three and 30/100 Dollars (\$3.30); 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 at this time.

There was next presented a statement from Meeske Ace Hardware, for miscellaneous purchases for the District, statement dated January 31, 2015, in the amount of One Hundred Fifty-Five and 13/100 Dollars (\$155.13).

There was next presented a statement from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in miscellaneous District matters through February 1, 2015, Invoice #108397, in the amount of One Thousand One Hundred Seventy and 24/100 Dollars (\$1,170.24).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Noerlinger Construction Inc., for equipment rental to do miscellaneous District maintenance, Invoice #556, in the amount of Six Hundred Three and no/100 Dollars (\$603.00).

There was next presented a statement from Masimore Magnuson & Associates, P.C., accountants for the District, for accounting services performed, Invoice dated February 9, 2015, Invoice #42013, in the amount of Five Hundred Twenty-Five and no/100 Dollars (\$525.00).

There was next presented a statement from Midwest Farmers Cooperative, for miscellaneous purchases made, statement dated January 31, 2015, in the amount of Three Hundred Ninety-Nine and 93/100 Dollars (\$399.93).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed through January 25, 2015, in the amount of One Thousand Three Hundred Ninety and no/100 Dollars (\$1,390.00), and costs advanced in the amount of One Hundred Fifty-Six and 19/100 Dollars (\$156.19); said statement being in the aggregate amount of One Thousand Five Hundred Forty-Six and 19/100 Dollars (\$1,546.19).

There were next presented invoices from Jon Meyers, requesting reimbursement be made to Lake Waconda Association for miscellaneous purchases as follow: (i) purchase of paint from Sherwin-Williams for the caretaker's house, Receipt dated January 28, 2015, in the amount of Two Hundred Three and 46/100 Dollars (\$203.46), and (ii) receipt from Builders Supply Co., for purchase made for the caretaker's house, Receipt #00331968, in the amount of Three Thousand Nine Hundred Fourteen and 30/100 Dollars (\$3,914.30); said statements being in the aggregate amount of Four Thousand One Hundred Seventeen and 76/100 Dollars (\$4,117.76).

Attention was next directed to the Board of Trustees to the fact that D.A. Davidson & Co. will purchase Ten Thousand Eight Hundred Ninety-Two and 88/100 Dollars (\$10,892.88) in general fund warrants at this time and that the contracted charge for such purchase of warrants is two percent (2%) or Two Hundred Seventeen and 86/100 Dollars (\$217.86), in accordance with the financing agreement previously adopted by the Board. The issuance of a warrant was recommended for such amount to D.A. Davidson & Co.

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 **3-0** 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. 4951 through 4953, 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 February 18, 2020, 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. 4951, for the amount of Four Thousand Six Hundred Thirty and 40/100 Dollars (\$4,630.40), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 4952, for the amount of One Thousand Seven Hundred Twenty-Eight and no/100 Dollars (\$1,728.00), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 4953, for the amount of One Hundred Ninety and 75/100 Dollars (\$190.75), 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. 4954 through 4962, 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 February 18, 2018, 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. 4954, for the amount of Two Thousand Three Hundred Seventy-Five and 63/100 Dollars (\$2,375.63), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 4955, for the amount of One Hundred Fifty-Five and 13/100 Dollars (\$155.13), payable to Meeske Ace Hardware.

Warrant No. 4956, for the amount of One Thousand One Hundred Seventy and 24/100 Dollars (\$1,170.24), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 4957, for the amount of Six Hundred Three and no/100 Dollars (\$603.00), payable to Noerrlinger Construction Inc.

Warrant No. 4958, for the amount of Five Hundred Twenty-Five and no/100 Dollars (\$525.00), payable to Masimore, Magnuson & Associates, P.C.

Warrant No. 4959, for the amount of Three Hundred Ninety-Nine and 93/100 Dollars (\$399.93), payable to Midwest Farmers Cooperative.

Warrant No. 4960, for the amount of One Thousand Five Hundred Forty-Six and 19/100 Dollars (\$1,546.19), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 4961, for the amount of Four Thousand One Hundred Seventeen and 76/100 Dollars (\$4,117.76), payable to Lake Waconda Association.

Warrant No. 4962, for the amount of Two Hundred Seventeen and 86/100 Dollars (\$217.86), 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 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.

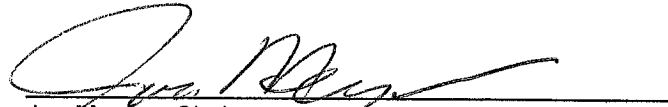
4. This Certificate is being passed, executed and delivered pursuant to Section 1.148-2(b)(2) of the Income Tax regulations under the Internal Revenue Code of 1986, as amended.

There was next presented a receipt from Cass County Treasurer representing a deposit to the District's general fund for cash rent from Noerrlinger Farms, Inc., in the amount of Nine Thousand Four Hundred Forty-Four and no/100 Dollars (\$9,444.00).

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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 February 18, 2015, meeting.



Jon Meyers, Clerk