

**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 22nd day of January, 2014, at Regency Center, 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present: Gary Kaplan, Phillip G. Wright, Wayne Breyfogle and Hugh Abrahamson. Also present: Daren Konda of Thompson, Dreessen & Dorner, Inc., engineers for the District; Mark Hughes, Gary Leicks, Terry Kerns, and a couple of residents of the District.

Absent: Jon Meyers.

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

There was next presented the proof of publication of the Notice to Contractors for the construction of the improvements entitled Lake Wa-Con-Da 2013 Road Restoration.

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 December 19, 2013, 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 the Clerk was directed to attach 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., Inc. for Lake Wa-Con-Da 2013 Road Restoration in the amount of One Hundred Ninety-Four Thousand Seven Hundred Forty-Three and no/100 Dollars (\$194,743.00) and that such amount be accepted. The Board was reminded that the Engineer's estimate of the construction cost of this project was Two Hundred Forty Thousand Eight Hundred and no/100 Dollars (\$240,800.00). The District's engineers then indicated that it was their opinion that the rebidding of such project would 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., Inc. was accompanied by the required bid bond, contract and maintenance bond in the amount of 100% of the contract price.

Mark Hughes made a presentation to the Board requesting that his company be awarded the contract being considered. His presentation largely evolved around the fact that their company had done considerable work for the District in a timely and quality fashion and, therefore, felt that he was more qualified

to perform this new pending project. Terry Kerns responded that he felt equally qualified and had the low bid and, therefore, felt that his company was the appropriate company to be awarded the contract.

After considerable discussion by the Board, the following resolution was duly moved and seconded upon a roll call vote of the Trustees, Gary Kaplan, Phillip G. Wright, Wayne Breyfogle and Hugh Abrahamson voted "Aye" with none voting "Nay" thereby adopting the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that the bid of Kerns Excavating Co., Inc. in the total amount of \$194,743.00 for the construction of Lake Wa-Con-Da 2013 Road Restoration be accepted and approved and that the Clerk and Chairman of the District be and they hereby are authorized and directed to execute the contract of Kerns Excavating Co., Inc. for and on behalf of the District.

There was next presented Change Order No. 1 with regard to Lake Wa-Con-Da 2013 Rip Rap Removal, which will result in the amount of Three Hundred and no/100 Dollars (\$300.00) being deducted from the contract granted to Leick Landscaping. After discussion by the Board, the following resolution was duly moved and seconded, and upon a roll call vote of the Trustees, Gary Kaplan, 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 2013 Rip Rap Removal project resulting in the amount of \$300.00 being deducted from the contract granted to Leick Landscaping, 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.

There was next presented Change Order No. 1 with regard to Lake Wa-Con-Da 2013 Sand Removal, which will result in the amount of Three Hundred and no/100 Dollars (\$300.00) being deducted from the contract granted to Leick Landscaping. After discussion by the Board, the following resolution was duly moved and seconded, and upon a roll call vote of the Trustees, Gary Kaplan, 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 2013 Sand Removal project resulting in the amount of \$300.00 being deducted from the contract granted to Leick Landscaping, 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.

There was next presented correspondence from D.A. Davidson & Co. requesting the District to issue warrants payable to D.A. Davidson & Co. in the total amount of Three Thousand Nine Hundred Thirty-Eight and 51/100 Dollars (\$3,938.51). After a full and complete discussion and upon a motion duly made and seconded, and upon a roll call vote, the Trustees, Gary Kaplan, Phillip G. Wright, Wayne Breyfogle and Hugh Abrahamson voted "Aye" with none voting "Nay" with the following resolution being thereby adopted and approved:

RESOLVED, that the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, find and determine that on February 10, 2014, there will be due and payable interest on the construction fund warrants for the District in the amount of Three Thousand Nine Hundred Thirty-Eight and 51/100 Dollars (\$3,938.51) and that to pay such interest it is advisable to authorize the issuance of warrants to be drawn from the District's construction fund payable to D.A. Davidson & Co.

FURTHER RESOLVED, that the following warrants, to be drawn on the construction fund of the District, draw interest at the rate of seven percent (7%) from the date of presentation until paid; such interest to be payable on February 10th of each year and such warrants shall be due and payable on January 22, 2019 (unless redeemed prior to such date), subject to extension of such maturity date by order of the District Court of Cass County, Nebraska, after notice as required by law, to be issued as follows:

<u>WARRANT NO.</u>	<u>AMOUNT</u>
4577	\$3,938.51

FURTHER RESOLVED, that the County Treasurer of Cass County, Nebraska, the ex officio Treasurer of the District is hereby directed and authorized on February 10, 2014, to pay the interest due on the construction warrants of the District and is hereby directed that such proceeds of the above warrants hereby are authorized and may only be used for the payment of such specified interest.

FURTHER RESOLVED, that the Chairman and Clerk be, and they hereby are authorized and directed to execute such warrants on behalf of the District and deliver the same, along with a copy of this and the preceding resolutions to the County Treasurer of Cass County, Nebraska, the ex officio Treasurer of the District.

There was next presented an invoice from Kraig J. Thelen, for professional services in connection with various filings with NEMA, Invoice #103-13, in the amount of Three Thousand Three Hundred Thirty-Seven and 50/100 Dollars (\$3,337.50).

There was next presented a statement Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Mark Hughes Construction, for services rendered in connection with the project entitled 2013 Sand Placement (Lake Wa-Con-Da), Payment Recommendation No. 1, in the amount of One Hundred Five Thousand Five Hundred Thirty-Two and 82/100 Dollars (\$105,532.82).

The Clerk next directed the attention of the Board of Trustees to the fact that D.A. Davidson & Co. will purchase One Hundred Twelve Thousand Eight Hundred Eight and 83/100 Dollars (\$112,808.83) in warrants at this time and that the contracted charge for such purchase of warrants is three percent (3%) or Three Thousand Three Hundred Eighty-Four and 26/100 Dollars (\$3,384.26) 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 October 17, 2013, through December 17, 2013, having a credit balance in the amount of Two Hundred Seventy-Eight and 68/100 Dollars (\$278.68).

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 Fifty-Two and 01/100 Dollars (\$4,052.01).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment to Noerlinger Farms Inc., for use of irrigation well to aid in filling the Lake from June 12, 2013 through July 17, 2013, Invoice dated October 5, 2013, in the amount of Five Thousand Two Hundred Forty and 47/100 Dollars (\$5,240.47).

There was next presented a statement from Midwest Farmers Cooperative, for the purchases of propane, Ruby Fieldmaster and diesel, in the amount of One Thousand Four Hundred Twenty-Four and 87/100 Dollars (\$1,424.87).

There were next presented statements from Meeske Ace Hardware, for miscellaneous purchases for District maintenance, in the aggregate amount of One Thousand Eight Hundred Twenty-Nine and 64/100 Dollars (\$1,829.64).

There were next presented statements from Nebraska Public Health Environmental Laboratory, for well water testing, as follows: (i) Invoice #446448, in the amount of Thirty-Eight and no/100 Dollars (\$38.00), and (ii) Invoice #447480, in the amount of Fifteen and no/100 Dollars (\$15.00); said statements being in the aggregate amount of Fifty-Three and no/100 Dollars (\$53.00).

There were next presented statements from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed in miscellaneous District matters, in the aggregate amount of Eight Thousand Twenty and 50/100 Dollars (\$8,020.50), and costs advanced in the aggregate amount of Four Hundred Ten and 07/100 Dollars (\$410.07); said statements being in the aggregate amount of Eight Thousand Four Hundred Thirty and 57/100 Dollars (\$8,430.57).

There were next presented invoices from Wayne Breyfogle, requesting reimbursements be made to Lake Waconda Association for miscellaneous District maintenance work done at the caretaker's house, as follows: (i) Invoice from Menards, in the amount of \$19.68, (ii) Invoice from Utility Equipment Company, in the amount of \$284.37, (iii) Invoice from Utility Equipment Company, in the amount of \$301.74, (iv) Invoice from Roman Marble Products, in the amount of \$657.04, (v) Invoice from Builders Supply Co., Inc., in the amount of \$664.09, (vi) Invoice from Shell gas station, in the amount of \$75.43, (vii) Invoice from Builders Supply Co., in the amount of \$43.88, (viii) Invoice from Builders Supply Co., in the amount of \$67.30, (ix) Invoice from Builders Supply Co., in the amount of \$62.57, (x) Invoice from Nebraska Furniture Mart, in the amount of \$2,302.35, (xi) Invoice from Husker Winlectric Company, in the amount of \$1,643.42, (xii) Invoice from Watkins True Value, in the amount of \$125.92, and (xiii) Invoice from Urban Utilities, Inc., in the amount of \$114.88); said statements being in the aggregate amount of Six Thousand Four Hundred Eighty-Nine and 49/100 Dollars (\$6,489.49).

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. 4577 through 4601, 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 January 22, 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. 4577, for the amount of Three Thousand Nine Hundred Thirty-Eight and 51/100 Dollars (\$3,938.51), payable to D.A. Davidson & Co.

Warrant No. 4578, for the amount of Three Thousand Three Hundred Thirty-Seven and 50/100 Dollars (\$3,337.50), payable to Kraig J. Thelen.

Warrant Nos. 4579 through 4599, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4600, for the amount of Five Hundred Thirty-Two and 82/100 Dollars (\$532.82), payable to Mark Hughes Construction.

Warrant No. 4601, for the amount of Three Thousand Three Hundred Eighty-Four and 26/100 Dollars (\$3,384.26), 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. 4602 through 4611, 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 January 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. 4602, for the amount of Four Thousand Fifty-Two and 01/100 Dollars (\$4,052.01), payable to Omaha Public Power District, Account #584300090.

Warrant No. 4603, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4604, for the amount of Two Hundred Forty and 47/100 Dollars (\$240.47), payable to Noerrlinger Farms Inc.

Warrant No. 4605, for the amount of One Thousand Four Hundred Twenty-Four and 87/100 Dollars (\$1,424.87), payable to Midwest Farmers Cooperative.

Warrant No. 4606, for the amount of One Thousand Eight Hundred Twenty-Nine and 64/100 Dollars (\$1,829.64), payable to Meeske Ace Hardware.

Warrant No. 4607, for the amount of Fifty-Three and no/100 Dollars (\$53.00), payable to Nebraska Public Health Environmental Laboratory.

Warrant No. 4608, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4609, for the amount of Three

Thousand Four Hundred Thirty and 57/100 Dollars (\$3,430.57), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 4610, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4611, for the amount of One Thousand Four Hundred Eighty-Nine and 49/100 Dollars (\$1,489.49), 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 \$5,000,000 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 bond fund, for 2011 flooding payment from FEMA, in the amount of Twenty-Five Thousand Four Hundred Fourteen and 34/100 Dollars (\$25,414.34).

Jim Noerrlinger presented his checklist of items to be considered by the Board, most of which he had already undertaken to either correct or schedule for completion. Mr. Noerrlinger discussed the general condition of the District's water system, including its wells and certain maintenance protocol. He indicated that the wells would be inspected in the near future, with the appropriate reports filed with the State agencies required. He reviewed the status of the primary well, as well as the backup well, with the Board. Certain maintenance items were also discussed, such as flushing mains, routine maintenance and the status of the District's fire safety hydrants.

Upon conclusion of such discussion, the Board authorized the expenditure of \$6,749.00 for a water main valve box, as well as the placement of an additional fire safety hydrant so that the District would have fire hydrants on each end of the lake. Such motion was unanimously approved by the Board.

The Board next discussed a request to allow a home improvement project to extend over a water main which ran across Lot 300. The Board discussed its concerns with allowing such a request amongst themselves, as well as the District's engineer, Daren Konda. The Board agreed to deny such request because of safety concerns. The Board further, however, agreed with its engineers that an accommodation may be made if the owner of Lot 300 agreed for the relocation of the easement. The relocation would be accomplished by:

1. The providing by the owner of Lot 300 of a replacement easement;

2. The District would then vacate the current easement; and
3. All costs associated with the relocation, including construction, engineering and attorneys' fees, would be paid by the owner of Lot 300.

Mr. Noerrlinger agreed to communicate such to the owner of Lot 300.

In the area of Lot 300, the Board next discussed an existing dead cottonwood tree which was considered to be a safety hazard and a potential impediment to the OPPD overhead power lines. Daren Konda was to determine whose property such tree existed on. If it existed on District property, arrangements would be made for its removal.

The Board next discussed its remaining 2014 construction projects, those being, the 2014 road grading, the 2014 asphalt repair, and the 2014 chip and seal. The Board determined that it would like to schedule a meeting for consideration of the plans and specifications for a possible resolution of necessity to move forward either during the week of February 10, or February 17, 2014. It was the Board's intention to advertise all three (3) projects together and award a contract in the latter part of March.

At the conclusion of the meeting, the residents in attendance, Mr. and Mrs. Lou Hurst, were asked if they had any objections, question, concerns or observations they wanted to express as to the meeting or any of its contents. They indicated they had none.

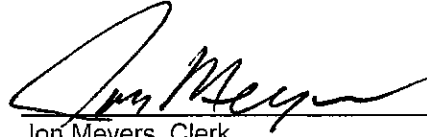
Motion was made and seconded to adjourn the meeting. Meeting adjourned.

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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 January 22, 2014, meeting.

A handwritten signature in black ink, appearing to read "Jon Meyers", is written over a solid horizontal line.

Jon Meyers, Clerk