

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 19th day of February, 2014, at Regency Center, 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present: Gary Kaplan, Jon Meyers, Phillip G. Wright, and Hugh Abrahamson. Also present: Daren Konda of Thompson, Dreessen & Dorner, Inc., engineers for the District, Mr. and Mrs. Lou Hurst, residents of the District, Jim Noerrlinger, Caretaker of Lake Wa-Con-Da, Kraig Thelen, resident, and Mark LaPuzza of Pansing Hogan Ernst & Bachman LLP, attorneys for the District.

Absent: Wayne Breyfogle.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on February 13, 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 undertook a discussion regarding water main issues relative to responsibilities for maintenance and repairs. The Board, along with its engineers, Daren Konda of Thompson, Dreessen & Dorner, Inc., discussed various policies and elected to follow the Metropolitan Utilities District ("MUD") policy for repairs and maintenance. Upon conclusion of its discussion, 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 the following policy is hereby adopted as the SID policy for repairs and maintenance of water mains and service lines within the District:

Water mains and service lines

Main: The large pipe laid in or along a street is called a water main. The main is four inches or more in diameter with a fire hydrant attached to it. We are responsible for water mains.

Corporation: A valve connecting the main to the water service line. We are responsible for the corporation.

Service Line: The pipe from your house to our main. If the main is across the street, the service runs under the street. You own and maintain the water service line.

The Board next undertook an extensive discussion of water usage and flows in the District's water system. Daren Konda, as well as Jim Noerrlinger, related to the District what appeared to be unusually high volumes. The Board discussed various ways of monitoring such usage to determine whether or not there were leaks in the system or other causes for what appeared to be the high usage. Upon conclusion of the discussion, the Board elected to install hour meters on the District's system to monitor usage.

There was next a discussion among the Board with Kraig Thelen, as well Mark LaPuzza, regarding the status of the various FEMA appeals initiated by the District. It was confirmed to the Board that all requisite appeals had been timely filed and confirmations of receipt in hand from FEMA. The status and timing of these appeals were further discussed by the Board.

There was next presented Change Order No. 2 with regard to Lake Wa-Con-Da 2013 Sand Removal, which will result in an additional Two Thousand Five Hundred Sixty-Three and no/100 Dollars (\$2,563.00) being added to 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, 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 Removal project resulting in an additional amount of \$2,563.00 being added to 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. 2 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 2013 Sand Removal (Lake Wa-Con-Da) and its installation by Leick Landscaping, which recommended that a final and complete payment be made in the total amount of Forty-Four Thousand Nine Hundred Fifty-Five and 94/100 Dollars (\$44,955.94) 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 Removal (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>
Leick Landscaping	\$44,955.94

The Clerk next presented to the Board the final estimate with regard to 2013 Rip Rap Removal (Lake Wa-Con-Da) and its installation by Leick Landscaping, which recommended that a final and complete payment be made in the total amount of Eleven Thousand Eight Hundred Thirty-Six and 50/100 Dollars (\$11,836.50) 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 Rip Rap Removal (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>
Leick Landscaping	\$11,836.50

There were next presented statements from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in construction-related matters through February 2, 2014, as follows: (i) Invoice #103160, in the amount of Nine Thousand One Hundred Seventy-Eight and 44/100 Dollars (\$9,178.44), (ii) Invoice #103162, in the amount of Three Thousand Six Hundred Thirty and no/100 Dollars (\$3,630.00), (iii) Invoice #103163, in the amount of Fifteen and 92/100 Dollars (\$15.92), (iv) Invoice #103164, in the amount of Six Hundred Thirty and 69/100 Dollars (\$630.69), (v) Invoice #103165, in the amount of Eight Hundred Thirty-Seven and no/100 Dollars (\$837.00), (vi) Invoice #103166, in the amount of Eight Thousand Four Hundred Sixty-Seven and 26/100 Dollars (\$8,467.26), (vii) Invoice #103167, in the amount of Five Hundred Forty and no/100 Dollars (\$540.00), (viii) Invoice #103168, in the amount of Five Hundred Forty and no/100 Dollars (\$540.00), and (ix) Invoice #103169, in the amount of Nine Hundred and no/100 Dollars (\$900.00); said statements being in the aggregate amount of Twenty-Four Thousand Seven Hundred Thirty-Nine and 31/100 Dollars (\$24,739.31).

The Clerk next directed the attention of the Board of Trustees to the fact that D.A. Davidson & Co. will purchase Eighty-One Thousand Five Hundred Thirty-One and 75/100 Dollars (\$81,531.75) in warrants at this time and that the contracted charge for such purchase of warrants is three percent (3%) or Two Thousand Four Hundred Forty-Five and 95/100 Dollars (\$2,445.95) 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 from Nebraska Public Power District, for lighting at Highway 75, from December 17, 2013, through January 20, 2014, having a credit balance in the amount of Two Hundred Sixty and 77/100 Dollars (\$260.77).

There was next presented a statement of Summary Account #5843000090 from Omaha Public Power District, for street lights and other electrical services, in the aggregate amount of Two Thousand Three Hundred Twenty-Seven and 66/100 Dollars (\$2,327.66).

There was next presented a statement from Masimore Magnuson & Associates, P.C., accountants for the District, for accounting services performed, Invoice dated January 21, 2014, in the amount of Seven Thousand Five Hundred Five and no/100 Dollars (\$7,505.00).

There was next presented a statement from Meeske Ace Hardware, for miscellaneous purchases for District maintenance, in the amount of Twenty-Seven and 20/100 Dollars (\$27.20).

There were next presented statements from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in miscellaneous District maintenance, as follows: (i) Invoice #103159, in the amount of Three Thousand Three Hundred Twenty-Four and 78/100 Dollars (\$3,324.78), and (ii) Invoice #103161, in the amount of Twenty-Two and 50/100 Dollars (\$22.50); said statements being in the aggregate amount of Three Thousand Three Hundred Forty-Seven and 28/100 Dollars (\$3,347.28).

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 Forty-Eight and no/100 Dollars (\$2,748.00), and costs advanced in the amount of One Hundred Thirty-Nine and 40/100 Dollars (\$139.40); said statement being in the amount of Two Thousand Eight Hundred Eighty-Seven and 40/100 Dollars (\$2,887.40).

There was next presented an invoice from Jim Noerrlinger, requesting reimbursement be made to Lake Waconda Association for miscellaneous District maintenance, as follows: (i) Invoice from Urban Utilities, Inc., for routine water sample, Invoice #7083, in the amount of One Hundred Forty-Two and 95/100 Dollars (\$142.95), (ii) Invoice from Southeast Plumbing & Heating, for repair of caretaker's furnace, Invoice #11395, in the amount of Ninety-Nine and no/100 Dollars (\$99.00), (iii) Invoice from Murray Building & Supply, Invoice #110044691, in the amount of One Hundred Forty-Five and 88/100 Dollars (\$145.88), and (iv) Murray Building & Supply, Invoice #107092825, in the amount of Ninety-Six and 69/100 Dollars (\$96.69); said statements being in the aggregate amount of Four Hundred Eighty-Four and 52/100 Dollars (\$484.52).

There was next presented an invoice from Jim Noerrlinger, requesting reimbursement be made to Lake Waconda Association for Water Certification Class taken by Jim Noerrlinger, in the amount of Five Hundred Forty-Three and 45/100 Dollars (\$543.45).

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. 4612 through 4629, 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 19, 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. 4612 through 4619, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4620, for the amount of Four Thousand Nine Hundred Fifty-Five and 94/100 Dollars (\$4,955.94), payable to Leick Landscaping.

Warrant Nos. 4621 and 4622, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4623, for the amount of One Thousand Eight Hundred Thirty-Six and 50/100 Dollars (\$1,836.50), payable to Leick Landscaping.

Warrant Nos. 4624 through 4627, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4628, for the amount of Four Thousand Seven Hundred Thirty-Nine and 31/100 Dollars (\$4,739.31), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 4629, for the amount of Two Thousand Four Hundred Forty-Five and 95/100 Dollars (\$2,445.95), 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. 4630 through 4637, 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 19, 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. 4630, for the amount of Two Thousand Three Hundred Twenty-Seven and 66/100 Dollars (\$2,327.66), payable to Omaha Public Power District, Account #584300090.

Warrant No. 4631, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4632, for the amount of Two Thousand Five Hundred Five and no/100 Dollars (\$2,505.00), payable to Masimore Magnuson & Associates, P.C.

Warrant No. 4633, for the amount of Twenty-Seven and 20/100 Dollars (\$27.20), payable to Meeske Ace Hardware.

Warrant No. 4634, for the amount of Three Thousand Three Hundred Forty-Seven and 28/100 Dollars (\$3,347.28), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 4635, for the amount of Two Thousand Eight Hundred Eight-Seven and 40/100 Dollars (\$2,887.40), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 4636, for the amount of Four Hundred Eighty-Four and 52/100 Dollars (\$484.52), payable to Lake Waconda Association.

Warrant No. 4637, for the amount of Five Hundred Forty-Three and 45/100 Dollars (\$543.45), 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.

The Clerk then presented for the consideration of the Trustees the plans and specifications for **Lake Wa-Con-Da 2014 Asphalt Repair** prepared by Thompson, Dreessen & Dorner, Inc., the consulting engineers for the District, for the cost of such improvement estimated to be in the total amount of Seventy-Four Thousand One Hundred Ninety and no/100 Dollars (\$74,190.00) **{as revised and approved by the Board}**. The Clerk was directed to attach a copy of the engineer's estimates of the costs to the minutes of these proceedings. After discussion, the resolution attached hereto and by this reference made a part hereof was duly introduced and upon a motion properly made and seconded, a roll call vote was had upon such motion during which the Trustees, Gary Kaplan, Jon Meyers, Phillip G. Wright, 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 a hearing be had on the proposed Resolution of Advisability and Necessity for the construction of **Lake Wa-Con-Da 2014 Asphalt Repair** at the Cobb Community Center located within the Lake Wa-Con-Da subdivision, Union, Nebraska, at 11:00 a.m. on March 15, 2014, at which time owners of the property within the District who might become subject to assessment for the improvement contemplated by the proposed Resolution of Advisability and Necessity may appear and make objections to the proposed improvement, and if a petition opposing the proposed resolution is signed by property owners representing the majority of the front footage which may be subject to assessment for the costs of improvements set out in the resolution is filed with the Clerk of the District within three days before the date set for hearing on such resolution, such resolution shall and will not be passed.

FURTHER RESOLVED, that notice of such hearing be given by publication in The Plattsmouth Journal of Plattsmouth, Cass County, Nebraska, for two (2) consecutive weeks beginning on the 27th day of February, 2014, and ending on the 6th day of March, 2014, which publication shall contain the entire wording of the proposed Resolution of Advisability and Necessity, and that notice shall be posted in three (3) conspicuous places within the District as required by Section 31-745, Reissue Rev. Stat. of Neb. 1943.

The Clerk then presented for the consideration of the Trustees the plans and specifications for **Lake Wa-Con-Da 2014 Road Grading** prepared by Thompson, Dreessen & Dorner, Inc., the consulting engineers for the District, for the cost of such improvement estimated to be in the total amount of Thirty-Seven Thousand and no/100 Dollars (\$37,000.00) **{as revised and approved by the Board}**. The Clerk was directed to attach a copy of the engineer's estimates of the costs to the minutes of these proceedings. After discussion, the resolution attached hereto and by this reference made a part hereof was duly introduced and upon a motion properly made and seconded, a roll call vote was had upon such motion during which the

Trustees, Gary Kaplan, Jon Meyers, Phillip G. Wright, 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 a hearing be had on the proposed Resolution of Advisability and Necessity for the construction of **Lake Wa-Con-Da 2014 Road Grading** at the Cobb Community Center located within the Lake Wa-Con-Da subdivision, Union, Nebraska, at 11:00 a.m. on March 15, 2014, at which time owners of the property within the District who might become subject to assessment for the improvement contemplated by the proposed Resolution of Advisability and Necessity may appear and make objections to the proposed improvement, and if a petition opposing the proposed resolution is signed by property owners representing the majority of the front footage which may be subject to assessment for the costs of improvements set out in the resolution is filed with the Clerk of the District within three days before the date set for hearing on such resolution, such resolution shall and will not be passed.

FURTHER RESOLVED, that notice of such hearing be given by publication in The Plattsmouth Journal of Plattsmouth, Cass County, Nebraska, for two (2) consecutive weeks beginning on the 27th day of February, 2014, and ending on the 6th day of March, 2014, which publication shall contain the entire wording of the proposed Resolution of Advisability and Necessity, and that notice shall be posted in three (3) conspicuous places within the District as required by Section 31-745, Reissue Rev. Stat. of Neb. 1943.

The Clerk then presented for the consideration of the Trustees the plans and specifications for **Lake Wa-Con-Da 2014 Chip Seal** prepared by Thompson, Dreessen & Dornier, Inc., the consulting engineers for the District, for the cost of such improvement estimated to be in the total amount of Three Hundred Twenty-Three Thousand Three Hundred Seventy and no/100 Dollars (\$323,370.00) **{as revised and approved by the Board}**. The Clerk was directed to attach a copy of the engineer's estimates of the costs to the minutes of these proceedings. After discussion, the resolution attached hereto and by this reference made a part hereof was duly introduced and upon a motion properly made and seconded, a roll call vote was had upon such motion during which the Trustees, Gary Kaplan, Jon Meyers, Phillip G. Wright, 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 a hearing be had on the proposed Resolution of Advisability and Necessity for the construction of **Lake Wa-Con-Da 2014 Chip Seal** at the Cobb Community Center located within the Lake Wa-Con-Da subdivision, Union, Nebraska, at 11:00 a.m. on March 15, 2014, at which time owners of the property within the District who might become subject to assessment for the improvement contemplated by the proposed Resolution of Advisability and Necessity may appear and make objections to the proposed improvement, and if a petition opposing the proposed resolution is signed by property owners representing the majority of the front footage which may be subject to assessment for the costs of improvements set out in the resolution is filed with the Clerk of the District within three days before the date set for hearing on such resolution, such resolution shall and will not be passed.

FURTHER RESOLVED, that notice of such hearing be given by publication in The Plattsmouth Journal of Plattsmouth, Cass County, Nebraska, for two (2) consecutive weeks beginning on the 27th day of February, 2014, and

ending on the 6th day of March, 2014, which publication shall contain the entire wording of the proposed Resolution of Advisability and Necessity, and that notice shall be posted in three (3) conspicuous places within the District as required by Section 31-745, Reissue Rev. Stat. of Neb. 1943.

Upon the conclusion of the adoption of such resolutions, the Board undertook discussion of timing issues for the Chip Seal project. The Board was concerned with meeting on a timely basis the August 12, 2014, date established by FEMA for being reimbursed for such project. The Board determined, after thorough discussion, that it wanted to do everything in its power to assure that the project was done in advance of the date. The Board directed Daren Konda and counsel for the District to prepare a contract for the award after the bidding process was completed, providing for both calendar day penalties and a completion date approximately a week in advance of the desired date. The Board discussed a \$2,000 per calendar day penalty for the project if not completed by July 31, 2014, and escalating to \$7,500 per calendar day penalty if not completed by August 7, 2014.

The Board also discussed the replacement of a storm sewer pipe between Lot 32 and Lot 33. The proposal was that the pipe be upgraded to serve as both a storm water drainage pipe, as well as a suitable connection for water from Noerrlinger well to accommodate the filling of the lake. This was approved by the Board unanimously.

The Board next discussed the monitoring results of the water levels in Bull Frog Bay. It appeared that there was some sort of leakage occurring in such bay and both Jim Noerrlinger, as well as Thompson, Dreessen & Dorner, Inc., were requested to continue to monitor the situation and provide recommendations in the future for attempting to alleviate such situation.

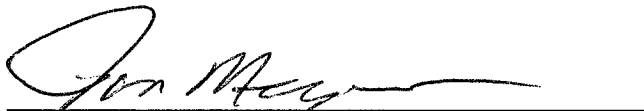
Daren Konda next discussed the status of all pending contracts of the District, as well as when such projects were contemplated to be completed.

The Board finally discussed the establishment of a District website in order to provide access to the public to official District activities, such as its minutes and policies. The Board decided to move forward with developing such a website.

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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 19, 2014, meeting.

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

Jon Meyers, Clerk