

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 13th day of August, 2014, at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present: Gary Kaplan, Jon Meyers, Phillip G. Wright *{left @ 11:18}*, Wayne Breyfogle and Hugh Abrahamson. Also present: Jim Noerrlinger, Caretaker of Lake Wa-Con-Da, and Daren Konda of Thompson, Dreessen & Dorner, Inc.

Absent: None.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on August 7, 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.

Extensive discussion was next had concerning the 2011 flood. Upon completion of such discussion, upon a motion duly made and seconded, and upon the following roll call vote, the Trustees, Gary Kaplan, Jon Meyers, 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 now that the construction has been completed repairing the damage caused by the 2011 flood at Lake Wa-Con-Da, the Board would like to thank all of those many persons who have been involved in all aspects of the flood fighting in order to save Lake Wa-Con-Da from certain disaster as a result of the 2011 flood. This "thank you" for a job well done extends to numerous persons who were directly and indirectly involved with saving and repairing the Lake – special thanks to Jon Meyers, who was the lead coordinator for this project on behalf of the Board.

Daren Konda also led discussion concerning the status on the following items:

- Change Order No 1. 2013 Road Restoration Kerns Excavating
- Payment Recommendation 2013 Road Restoration
- 2014 Chip Seal Project Update
- Payment Recommendation Levee Repair Kerns Excavating
- Payment Recommendation Water System Repair
- Payment Recommendation 2014 Asphalt Repair

- Public Water System Water Security Subgrant Application – Generator Enclosure Grant Not Successful
- 911 Test Call Summary
- 2015 Budget Consideration Chip Seal Surfacing 2015 = \$80,000
- 2015 Budget Consideration Asphalt Repair 2015 (Entrance Area) \$40,000

There was next presented Change Order No. 1 with regard to Lake Wa-Con-Da 2013 Road Restoration, which will result in Twenty-Five Thousand Two Hundred Eighty-One and 50/100 Dollars (\$25,281.50) being added to the contract granted to Kerns Excavating Co., Inc.. 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, 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 Road Restoration project resulting in \$25,281.50 being added to the contract granted to Kerns Excavating Co., Inc., 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 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. 3, in the amount of Thirty-Four Thousand Four Hundred Seventy-Five and 40/100 Dollars (\$34,475.40)

There were next presented statements from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in construction-related matters through August 3, 2014, as follows: (i) Invoice #105581, in the amount of Six Thousand Five Hundred Twenty-Three and 55/100 Dollars (\$6,523.55), (ii) Invoice #105582, in the amount of Two Thousand Four Hundred Forty-Nine and 42/100 Dollars (\$2,449.42), (iii) Invoice #105583, in the amount of Five Hundred Twenty-Five and no/100 Dollars (\$525.00), (iv) Invoice #105584, in the amount of Two Thousand Two Hundred Seventy-Eight and 46/100 Dollars (\$2,278.46), (v) Invoice #105585, in the amount of Two Thousand Two Hundred Forty-Five and no/100 Dollars (\$2,245.00), and (vi) Invoice #105586, in the amount of Two Thousand Nine Hundred Ninety-Five and 30/100 Dollars (\$2,995.30); said statements being in the aggregate amount of Seventeen Thousand Sixteen and 73/100 Dollars (\$17,016.73).

The Clerk next directed the attention of the Board of Trustees to the fact that D.A. Davidson & Co. will purchase Fifty-One Thousand Four Hundred Ninety-Two and 13/100 Dollars (\$51,492.13) in warrants at this time and that the contracted charge for such purchase of warrants is three percent (3%) or One Thousand Five Hundred Forty-Four and 76/100 Dollars (\$1,544.76) 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 June 15, 2014, through July 15, 2014, having a credit balance in the amount of One Hundred Fifty-Three and 31/100 Dollars (\$153.31).

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 Seven Hundred Forty-Six and 50/100 Dollars (\$2,746.50).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Mark Hughes Construction, for grading the drainage ditch north of the lake, Invoice #6586, in the amount of Eight Thousand Five Hundred and no/100 Dollars (\$8,500.00).

There was next presented a statement from Midwest Farmers Cooperative, for miscellaneous purchases made, statement dated July 31, 2014, in the amount of One Thousand Two Hundred Fifteen and 68/100 Dollars (\$1,215.68).

There was next presented a statement from Nebraska Public Health Environmental Laboratory, for well water testing, Invoice #453173, in the amount of One Hundred Nine and no/100 Dollars (\$109.00).

There was next presented a statement from One Call Concepts, Inc. for line locates within the District, Invoice #4070568, 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 Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in miscellaneous District matters through August 3, 2014, in the amount of Two Thousand One Hundred Seventeen and 26/100 Dollars (\$2,117.26).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed through July 31, 2014, in the amount of Three Thousand One Hundred Fifty-Three and no/100 Dollars (\$3,153.00), and costs advanced in the amount of Five Hundred Fifty-Nine and 40/100 Dollars (\$559.40); said statement being in the aggregate amount of Three Thousand Seven Hundred Twelve and 40/100 Dollars (\$3,712.40).

There was next presented an invoice from Jim Noerrlinger, requesting reimbursement be made to Lake Waconda Association for miscellaneous District maintenance performed by Noerrlinger Construction Inc., Invoice #545, in the amount of Five Hundred Sixty-Two and 50/100 Dollars (\$562.50).

There was next presented a statement Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Oldcastle Materials Midwest Co., d/b/a Omni Engineering for services rendered in connection with the project entitled Lake Wa-Con-Da 2014 Asphalt Repair, Payment Recommendation No. 1, in the amount of Sixty-One Thousand One Hundred Twenty-One and 88/100 Dollars (\$61,121.88).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Kerns Excavating Company, for water system repairs, as follows: (i) Invoice #12632, in the amount of Thirteen Thousand Seven Hundred Twenty-Two and no/100 Dollars (\$13,722.00), and (ii) Invoice #12633, in the amount of Twelve Thousand Eight Hundred Fifty-Nine and no/100 Dollars (\$12,859.00); said statements being in the aggregate amount of Twenty-Six Thousand Five Hundred Eighty-One and no/100 Dollars (\$26,581.00).

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. 4743 through 4754, 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 August 13, 2019, subject to extension of said

maturity date by order of the District Court of Cass County, Nebraska, after notice is given as required by law, to-wit:

Warrant No. 4743 through 4748, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4749, for the amount of Four Thousand Four Hundred Seventy-Five and 40/100 Dollars (\$4,475.40), payable to Kerns Excavating Co., Inc.

Warrant Nos. 4750 through 4752, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4753, for the amount of Two Thousand Sixteen and 73/100 Dollars (\$2,016.73), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 4754, for the amount of One Thousand Five Hundred Forty-Four and 76/100 Dollars (\$1,544.76), 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. 4755 through 4781, 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 August 13, 2017, subject to extension of said maturity date by order of the District Court of Cass County, Nebraska, after notice is given as required by law, to-wit:

Warrant No. 4755, for the amount of Two Thousand Seven Hundred Forty-Six and 50/100 Dollars (\$2,746.50), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 4756, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4757, for the amount of Three Thousand Five Hundred and no/100 Dollars (\$3,500.00), payable to Mark Hughes Construction

Warrant No. 4758, for the amount of One Thousand Two Hundred Fifteen and 68/100 Dollars (\$1,215.68), payable to Midwest Farmers Cooperative.

Warrant No. 4759, for the amount of One Hundred Nine and no/100 Dollars (\$109.00), payable to Nebraska Public Health Environmental Laboratory.

Warrant No. 4760, for the amount of Two Thousand One Hundred Seventeen and 26/100 Dollars (\$2,117.26), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 4761, for the amount of Three Thousand Seven Hundred Twelve and 40/100 Dollars (\$3,712.40), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 4762, for the amount of Five Hundred Sixty-Two and 50/100 Dollars (\$562.50), payable to Noerringer Construction Inc.

Warrant Nos. 4763 through 4774, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4775, for the amount of One Thousand One Hundred Twenty-One and 88/100 Dollars (\$1,121.88), payable to Oldcastle Materials Midwest Co. d/b/a Omni Engineering.

Warrant Nos. 4776 through 4780, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4781, for the amount of One Thousand Five Hundred Eighty-One and no/100 Dollars (\$1,581.00), payable to Kerns Excavating Company.

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.

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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 August 13, 2014, meeting.


Jon Meyers, Clerk