

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 9:00 a.m. on the 11th day of November, 2014, at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present: Gary Kaplan, Jon Meyers, Phillip G. Wright, Wayne Breyfogle and Hugh Abrahamson. Also present: Jim Noerrlinger, Caretaker of Lake Wa-Con-Da, Kraig Thelen, 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 November 6, 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 was next informed that General Fund Warrant Nos. 4875 and 4876 are to be cancelled due to the fact that they were issued to the wrong payee, and they have not been registered with the Cass County Treasurer or paid. Upon discussion of this matter, the following resolution was duly made and seconded, whereupon a roll call vote was taken during which the Trustees, Gary Kaplan, Jon Meyers, Phillip G. Wright, Wayne Breyfogle and Hugh Abrahamson voted "Aye," with none voting "Nay," thereby approving the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that General Fund Warrant Nos. 4875 and 4876, payable to Jim Noerrlinger, be and hereby are canceled.

FURTHER RESOLVED, that the Clerk of the District be and hereby is authorized to note such cancellation on the records of the District.

There was next presented for the Board's review, Change Order No. 2 with respect to the Lake Wa-Con-Da 2014 Chip Seal project which will result in Ten Thousand One Hundred Eighty-Eight and no/100 Dollars (\$10,188.00) being added to the contract granted to Sta-Bilt Construction Company. Discussion was had by the Board regarding imposing liquidated damages in the amount of \$16,000 due to late completion. The Board was informed that:

- Sta-Bilt had filed documents asserting that the delays were due to changes in the project scope made by the Board which should have extended the deadline.
- Engineers believe that the delay was primarily due to bad weather on other Sta-Bilt jobs.
- Legal fees to fight Sta-Bilt over the liquidated damages could easily exceed the amount of the penalty.
- Although late, the construction was completed in time to avoid any reduction in FEMA funding.

- A dispute with the Sta-Bilt over the final job cost including liquidated damages would delay final paperwork with FEMA/NEMA. Such delay could exceed the final filing deadlines and put over \$300,000 funding for the project at risk.

Upon conclusion of such discussion and after reviewing the recommendation of the District's engineers, the following resolution was duly moved and seconded, and upon a roll call vote of 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, to waive any liquidated damages and that Change Order No. 2 to the Lake Wa-Con-Da 2014 Chip Seal project resulting in \$10,188.00 being added to the contract granted to Sta-Bilt Construction Company, be accepted and approved and that the Chairman and Clerk of the District be and they hereby are authorized and directed to execute Change Order No. 2 for and on behalf of the District.

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

There was next presented to the Board the final estimate with regard to Lake Wa-Con-Da 2014 Chip Seal and its installation by Sta-Bilt Construction Company, which recommended that a final and complete payment be made in the total amount of Forty-Five Thousand One Hundred Three and 41/100 Dollars (\$45,103.41) with such being final payment and the final estimate for work completed on such project. The Board observed that in view of decreased quantities, the total dollar amount of the contract was reduced. The Clerk also presented the Certificate of Completion from the District's engineers, Thompson, Dreessen & Dörner, 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, 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 the District's project entitled Lake Wa-Con-Da 2014 Chip Seal be accepted as completed in accordance with recommendation of the District's engineers, Thompson, Dreessen & Dörner, Inc. and that final payment be made in the following scheduled amount:

<u>Contractor</u>	<u>Amount</u>
Sta-Bilt Construction Company	\$45,103.41

There were next presented statements from Thompson, Dreessen & Dörner, Inc., engineers for the District, for services rendered in construction-related matters through November 2, 2014, as follows: (i) Invoice #107180, in the amount of Two Hundred Fifty and no/100 Dollars (\$250.00), (ii) Invoice #107181, in the amount of One Thousand Seven Hundred Ninety-Two and 58/100 Dollars (\$1,792.58), (iii) Invoice #107182, in the amount of One Hundred Fifty and no/100 Dollars (\$150.00), (iv) Invoice #107183, in the amount of One Hundred Forty-Two and 84/100 Dollars (\$142.84), (v) Invoice #107184, in the amount of One Thousand Seven Hundred Seventy-Five and 50/100 Dollars (\$1,775.50), and (vi) **Invoice #104409, which was paid at the May 14, 2014 meeting, but the amount of Three Hundred Thirty-Nine and 36/100 Dollars (\$339.36), was erroneously not added to the invoice;** said statements being the aggregate amount of Four Thousand Four Hundred Fifty and 28/100 Dollars (\$4,450.28).

There was next presented correspondence from Thompson, Dreessen & Dörner, Inc., engineers for the District, presenting and recommending payment in favor of Noerrlinger Construction, Inc., for equipment rental use on the levee and sand berm areas, Invoice #554, in the amount of One Thousand Two Hundred

Fifty-Seven and 50/100 Dollars (\$1,257.50). Engineers confirmed that the hourly rates charged were below market price and that the number of hours used was reasonable.

The Clerk next directed the attention of the Board of Trustees to the fact that D.A. Davidson & Co. will purchase Fifty Thousand Eight Hundred Eleven and 16/100 Dollars (\$50,811.16) in warrants at this time and that the contracted charge for such purchase of warrants is three percent (3%) or One Thousand Five Hundred Twenty-Four and 33/100 Dollars (\$1,524.33) 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 One Thousand Six Hundred Seventeen and 93/100 Dollars (\$1,617.93).

There was next presented correspondence from Jon Meyers, presenting and recommending payment in favor of Dog Guard of Nebraska, for Mary Ann Allee's wire installation, Invoice dated August 19, 2014, in the amount of Four Hundred Twenty-Five and no/100 Dollars (\$425.00).

There was next presented a statement from Midwest Farmers Cooperative, for miscellaneous purchases made, statement dated October 31, 2014, in the amount of Six Hundred Seventeen and 61/100 Dollars (\$617.61).

There was next presented a statement from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in miscellaneous District matters through November 2, 2014, Invoice #107179, in the amount of One Thousand Five Hundred One and 40/100 Dollars (\$1,501.40).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed through October 31, 2014, in the amount of Three Thousand Eight Hundred Fifty-Five and 50/100 Dollars (\$3,855.50), and costs advanced in the amount of One Hundred Sixty-Four and 36/100 Dollars (\$164.36); said statement being in the aggregate amount of Four Thousand Nineteen and 86/100 Dollars (\$4,019.86).

There were next presented an invoice from Jim Noerrlinger, requesting payment to Sherman Company, LLC, for well maintenance, Invoice #1684, in the amount of Two Thousand Six Hundred Seventy-Four and no/100 Dollars (\$2,674.00).

There were next presented an invoice from Jim Noerrlinger, requesting payment to ASP Enterprises, Invoice #0173653-IN, for straw blanket, in the amount of Two Hundred Fourteen and 17/100 Dollars (\$214.17).

There were next presented an invoice from Jim Noerrlinger, requesting payment to Noerrlinger Farms, Inc., for payment made to Great Plains Well Service, Invoice #4866, in the amount of Two Thousand Six Hundred Sixty and no/100 Dollars (\$2,660.00).

There was next presented an invoice from Jim Noerrlinger, requesting payment to Noerrlinger Construction Inc., for equipment rental and steel, Invoice #548, in the amount of One Thousand Five Hundred Twelve and 75/100 Dollars (\$1,512.75). The board was reminded that engineers had evaluated and recommended paying these charges last month.

There were next presented invoices from Wayne Breyfogle, requesting reimbursement be made to Lake Waconda Association for miscellaneous purchases as follow: (i) purchase of wood stove from Fireplace by Design for the caretaker's house, Invoice dated November 1, 2014, in the amount of Three Thousand Three Hundred Two and no/100 Dollars (\$3,302.00), and (ii) Receipt from Orscheln Farm & Home, for purchase of grass seed, in the amount of Two Hundred Fifty-Four and 66/100 Dollars

(\$254.66); said statements being in the aggregate amount of Three Thousand Five Hundred Fifty-Six and 66/100 Dollars (\$3,556.66).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Noerrlinger Construction, Inc., for pipe bollards for installation at the playground parking area, Invoice #550, in the amount of Two Hundred Five and 50/100 Dollars (\$205.50). Engineers stated that similar material at retail would cost about \$327.00 delivered.

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 5-0 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. 4881 through 4893, 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 November 11, 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. 4881 through 4889, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4890, for the amount of One Hundred Three and 41/100 Dollars (\$103.41), payable to Sta-Bilt Construction Company.

Warrant No. 4891, for the amount of Four Thousand Four Hundred Fifty and 28/100 Dollars (\$4,450.28), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 4892, for the amount of One Thousand Two Hundred Fifty-Seven and 50/100 Dollars (\$1,257.50), payable to Noerrlinger Construction Inc.

Warrant No. 4893, for the amount of One Thousand Five Hundred Twenty-Four and 33/100 Dollars (\$1,524.33), 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. 4894 through 4904, 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 November 11, 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. 4894, for the amount of One Thousand Six Hundred Seventeen and 93/100 Dollars (\$1,617.93), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 4895, for the amount of Four Hundred Twenty-Five and no/100 Dollars (\$425.00), payable to Dog Guard of Nebraska.

Warrant No. 4896, for the amount of Six Hundred Seventeen and 61/100 Dollars (\$617.61), payable to Midwest Farmers Cooperative.

Warrant No. 4897, for the amount of One Thousand Five Hundred One and 40/100 Dollars (\$1,501.40), payable to Thompson, Dreesen & Dorner, Inc.

Warrant No. 4898, for the amount of Four Thousand Nineteen and 86/100 Dollars (\$4,019.86), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 4899, for the amount of Two Thousand Six Hundred Seventy-Four and no/100 Dollars (\$2,674.00), payable to Sherman Company, LLC.

Warrant No. 4900, for the amount of Two Hundred Fourteen and 17/100 Dollars (\$214.17), payable to ASP Enterprises.

Warrant No. 4901, for the amount of Two Thousand Six Hundred Sixty and no/100 Dollars (\$2,660.00), payable to Noerrlinger Farms, Inc.

Warrant No. 4902, for the amount of One Thousand Five Hundred Twelve and 75/100 Dollars (\$1,512.75), payable to Noerrlinger Construction, Inc.

Warrant No. 4903, for the amount of Three Thousand Five Hundred Fifty-Six and 66/100 Dollars (\$3,556.66), payable to Lake Waconda Association.

Warrant No. 4904, for the amount of Two Hundred Five and 50/100 Dollars (\$205.50), payable to Noerrlinger Construction Inc.

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.

Daren Konda of Thompson, Dreessen & Dorner, Inc., next presented certain discussion items as to the status of various projects undertaken by the District.

There was first reviewed with Mr. Konda an update on the fall over seeding and turf seeding. It was indicated to the Board that the over seeding and turf seeding had been completed with the Board unanimously agreeing to accept such work.

The project of Commercial Seeding regarding certain seeding and matting work had been completed with an invoice to be presented for consideration at the Board's next meeting.

It was also indicated that the levee repair work had been completed by Sudbeck Homes Construction, which consisted of dormant seeding and matting; such work occurred on the river side of the levee. The invoice for this work will be presented at a future meeting of the Board.

There was next presented a proposal for a pipe abandonment project in the south end of the Lake at the fish spawning pond which is required by the USACE to maintain levee certification. It was indicated by the engineer that two (2) bids have been received for such work, with Pioneer Excavating being the low bidder in the amount of \$14,000.00. This work was unanimously authorized.

There was next a discussion had regarding the restoration of the borrow area. The area is currently too wet to allow completion of the project which has been delayed as a consequence.

The Board next reviewed maintenance of lake pumps and reviewed and discussed proposals obtained for such pumps.

The Board authorized certain well house repairs which consisted of painting and compliance with certain requirements of the State of Nebraska in an amount not to exceed \$500.00.

The Clerk then presented for the consideration of the Trustees the plans and specifications for **Lake Wa-Con-Da 2015 Chip Seal** 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 One Hundred Fifty-Four Thousand Six Hundred Five and no/100 Dollars (\$154,605.00). Engineers recommended this in order to provide a double layer armor coat. The cost of this layer will be less than half of the 2014 Chip Seal Project and should more than double the lifetime of the surface.

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, 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 a hearing be had on the proposed Resolution of Advisability and Necessity for the construction of **Lake Wa-Con-Da 2015 Chip Seal** at the Cobb Community Center located within the Lake Wa-Con-Da subdivision, Union, Nebraska, at 11:00 a.m. on December 14, 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 November, 2014, and ending on the 4th day of December, 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.

Kraig Thelen, the consultant retained by the District to assist in the FEMA/NEMA reimbursement process, presented a report regarding the status of such reimbursements, as well as pending appeals. He presented a report that was generally favorable of the status of the appeals, as well as projected reimbursements. He indicated that paperwork was underway for approval of substantial reimbursements to the District, with the first of such in the approximate amount of \$78,000, to be received by the District in December.

The Board next undertook a brief discussion as to expenditures on the General Fund and how they related to the budgeted amounts of the District. The Board indicated at the conclusion of such discussions that it would continue to judiciously review such expenditures, realizing that during the balance of the fiscal year, they will remain in unusual circumstances due to the continuing completion of the dike and road stabilization projects from the flood.

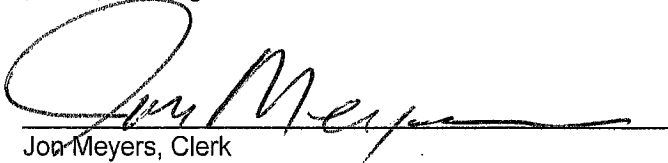
The Board discussed some certain minor projects that may be considered by the Board in the future consisting of grading projects and cleanup projects and decided to table these until the Board had a better opportunity to review the budget and actual expenditures.

The Board finally discussed access to the levee and the federally owned property south of it. The Board discussed whether or not to restrict parking or general access to the levee to protect its integrity. The Board paid particular attention to parking on the levee and ATV traffic. There was a general discussion of certain problems attendant with such usage. At the conclusion of such discussion, the Board decided not to take any formal action at this time until they had an opportunity to further consider the implications of any action they might take.

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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 November 11, 2014, meeting.



Jon Meyers, Clerk