

**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 12th day of July, 2015, at Cobb Community Center located within the Lake Wa-Con-Da subdivision in Union, Nebraska.

Present: Gary Kaplan, Jon Meyers, Phillip G. Wright, Hugh I. Abrahamson and Wayne Breyfogle.

Absent: None.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on July 9, 2015, a copy of the proof of publication being attached to these minutes. Notice of this meeting was simultaneously given to all members of the Board of Trustees, and a copy of their acknowledgment of receipt of notice is attached to these minutes. Availability of the agenda was communicated in the published notice and in the notice to the Trustees of this meeting. All proceedings of the Board were taken while the convened meeting was open to the attendance of the public. The agenda was at all times available at the office for the District at Regency Center, Suite 300, 10250 Regency Circle, Omaha, Nebraska 68114.

It was first publicly stated to all in attendance that a current copy of the Nebraska Open Meetings Act was available for review and indicated the location of such copy in the room where the meeting was being held.

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

There was next presented a statement from First National Bank of Omaha, for paying agent fees for Series 2011 and Series 2012, Invoice dated June 24, 2014, in the amount of One Thousand Four Hundred and no/100 Dollars (\$1,400.00).

There was next presented a statement from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in 2015 Chip and Seal project, Invoice #110462, in the amount of One Thousand One Hundred Seventy-Four and no/100 Dollars (\$1,174.00).

There was next presented a statement from Nebraska Public Power District, for lighting at Highway 75, from May 15, 2015, through June 15, 2015, having a credit balance in the amount of One Hundred Fifty-Six and 30/100 Dollars (\$156.30).

There was next presented a statement of Summary Account #5843000090 from Omaha Public Power District, for street lights and other electrical services, in the amount of Two Thousand Three Hundred Sixty and 43/100 Dollars (\$2,360.43).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Noerrlinger Construction, for equipment rental to do miscellaneous District maintenance around the lake, Invoice #558, in the amount of One Thousand Three Hundred Three and no/100 Dollars (\$1,303.00).

There was next presented a statement from Midwest Farmers Cooperative, for miscellaneous purchases made, statement dated May 31, 2015, in the amount of Eighty-One and 60/100 Dollars (\$81.60).

There were next presented statements from Nebraska Public Health Environmental Laboratory, for well water testing, as follows: (i) Invoice #463239, in the amount of Three Hundred Twenty-Nine and no/100 Dollars (\$329.00), and (ii) Invoice #464339, in the amount of Fifteen and no/100 Dollars (\$15.00); said statements being in the aggregate amount of Three Hundred Forty-Four and no/100 Dollars (\$344.00).

There were next presented statements from One Call Concepts, Inc., for line locates within the District, as follows: (i) Invoice #5050568, in the amount of Four and 45/100 Dollars (\$4.45), and (ii) Invoice #5060565, in the amount of Eight and 10/100 Dollars (\$8.10); said statements being in the aggregate amount Twelve and 55/100 Dollars (\$12.55). **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 July 6, 2015, Invoice #110461, in the amount of Two Thousand Seven Hundred Thirty-Three and 50/100 Dollars (\$2,733.50).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed through June 30, 2015, in the amount of Four Thousand Five Hundred Twenty-Two and no/100 Dollars (\$4,522.00), and costs advanced in the amount of Two Hundred Thirty-Five and 52/100 Dollars (\$235.52); said statement being in the aggregate amount of Four Thousand Sven Hundred Fifty-Seven and 52/100 Dollars (\$4,757.52).

There were next presented invoices from Jim Noerrlinger, requesting reimbursement be made to Lake Waconda Association for miscellaneous purchases as follow: (i) Wiles Bros. Fertilizer, Inc., for the purchase of Trimec 992, Invoice #1527, in the amount of Three Hundred Fifty-Four and 90/100 Dollars (\$354.90), and (ii) Wiles Bros. Fertilizer, Inc., for the purchase of Trimec 992, Invoice #1786, in the amount of Three Hundred Fifty-Four and 90/100 Dollars (\$354.90); said statements being in the aggregate amount of Seven Hundred Nine and 80/100 Dollars (\$709.80).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Gator Pump, Inc., for a 16: Tarpon Trailer Pump, clamps and pipe connectors, Invoice #60191, in the amount of Fourteen Thousand Six Hundred Four and no/100 Dollars (\$14,604.00).

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 **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. 4995 and 4996, 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 July 12, 2020, subject to extension of said maturity date by order of the District Court of Cass County, Nebraska, after notice is given as required by law, to-wit:

Warrant No. 4995, for the amount of One Thousand Four Hundred and no/100 Dollars (\$1,400.00), payable to First National Bank of Omaha.

Warrant No. 4996, for the amount of One Thousand One Hundred Seventy-Four and no/100 Dollars (\$1,174.00), payable to Thompson, Dreessen & Dorner, Inc.

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. 4997 through 5006, 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 July 12, 2018, subject to extension of said maturity date by order of the District Court of Cass County, Nebraska, after notice is given as required by law, to-wit:

Warrant No. 4997, for the amount of Two Thousand Three Hundred Sixty and 43/100 Dollars (\$2,360.43), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 4998, for the amount of One Thousand Three Hundred Three and no/100 Dollars (\$1,303.00), payable to Noerlinger Construction.

Warrant No. 4999, for the amount of Eighty-One and 60/100 Dollars (\$81.60), payable to Midwest Farmers Cooperative.

Warrant No. 5000, for the amount of Three Hundred Forty-Four and no/100 Dollars (\$344.00), payable to Nebraska Public Health Environmental Laboratory.

Warrant No. 5001, for the amount of Two Thousand Seven Hundred Thirty-Three and 50/100 Dollars (\$2,733.50), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 5002, for the amount of Four Thousand Seven Hundred Fifty-Seven and 52/100 Dollars (\$4,757.52), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 5003, for the amount of Seven Hundred Nine and 80/100 Dollars (\$709.80), payable to Lake Waconda Association.

Warrant Nos. 5004 and 5005, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5006, for the amount of Four Thousand Six Hundred Four and no/100 Dollars (\$4,604.00), payable to Gator Pump, 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.

There were next presented receipts from Cass County Treasurer representing deposits to the District's general fund and construction fund, as follows: (i) for cash rent from Noerrlinger Farms, Inc., in the amount of Nine Thousand Eight Hundred Thirty-Seven and 50/100 Dollars (\$9,837.50), (ii) overpayment of workers compensation policy, in the amount of Six Hundred Thirty-Five and no/100 Dollars (\$635.00), (iii) Federal Grants/Funding, in the amount of One Million Nine Hundred Seventy Thousand Seven Hundred Twelve and 65/100 Dollars (\$1,970,712.65), and (iv) State of Nebraska Payment concerning flood repairs, in the amount of Three Hundred Thirty-Three Thousand One and 65/100 Dollars (\$333,001.65).

Gary Kaplan, Chairman, announced that over \$2.3 million was received recently from FEMA and NEMA to close out the 2011 flood claim. All outstanding warrants have been paid off. The only remaining debts are \$4.2 million of low interest bonds payable over 18 years. Discussion was had concerning the deposit of monies from FEMA and NEMA and the call of outstanding Construction Fund and General Fund warrants, it being noted that the warrants were drawing a higher interest rate than the outstanding bonds of the District. The following resolution was duly moved and seconded upon a roll call vote of the Trustees, Gary Kaplan, Jon Meyers, Phillip G. Wright, Hugh I. Abrahamson and Wayne Breyfogle 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 Construction Fund and General Fund warrant calls due to the deposit of monies received from FEMA and NEMA are hereby ratified and approved.

Jon Meyers presented the Engineer's Summary of Expense for Flood Fight and Restoration prepared by Thompson Dreessen & Dorner. It showed total costs, including direct costs plus engineering, interest, financing, and legal costs, of \$4,317,069.10. After receiving \$2,611,661.12 of disaster assistance, the net cost to the District was \$1,705,407.98. Meyers pointed out that most of the direct costs were eligible for disaster assistance, but other costs were not.

Kaplan outlined steps that have been taken to improve readiness for a future disaster. These include a wider, stronger levee with sand berms and the establishment of lines of credit with suppliers who may be called upon in future disasters.

A motion was made, seconded and passed to purchase two 100 foot lengths of 16 inch hose for the new gator pump at a cost of about \$7,328.00, plus tax.

A motion was made, seconded and passed to add the following wording to future easements for laterals on SID property:

**The Grantor specifically reserves the right to remove any septic lateral system installed pursuant to this easement in the event that the Grantor elects to proceed with the installation of a permanent sanitary sewer treatment facility which would alleviate the need for such septic lateral system. The determination of when, how and to what extent such removal shall occur shall be in the sole and absolute discretion of the Grantor.**

A motion was made, seconded and passed to grant the easement for future laterals requested by the owners of Lot 203, including the new wording.

A motion was made, seconded and passed to permit Spiral Communications, LLC to install Wi-Fi transmission equipment on the District's warning siren poles as long as the equipment does not interfere with the warning sirens.

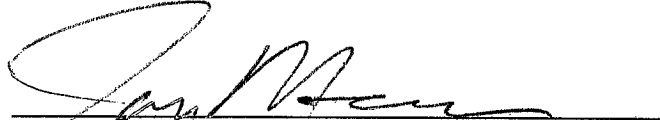
The Board discussed recognition of the assistance that the District receives from Noerrlinger Farms in the form of loaned equipment for occasional heavy jobs.

The Board asked caretaker, Jim Noerrlinger, to install a warning sign on the floating pump such as, "DANGER – HIGH VOLTAGE."

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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 July 12, 2015, meeting.



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Jon Meyers, Clerk