

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 27th day of May, 2015, at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present: Gary Kaplan, Jon Meyers, Phillip G. Wright, Hugh I. Abrahamson and Wayne Breyfogle. Also present: Daren Konda of Thompson, Dreessen & Dorner, Inc., engineers for the District, and Kraig Thelen.

Absent: None.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on May 21, 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 were next presented statements from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in construction-related matters through March 29, 2015, as follows: (i) Invoice #108977, in the amount of Two Thousand Four Hundred Ninety-Seven and no/100 Dollars (\$2,497.00), and (ii) Invoice #108978, in the amount of Ten Thousand Five Hundred and 78/100 Dollars (\$10,500.78); said statements being in the aggregate amount of Twelve Thousand Nine Hundred Ninety-Seven and 78/100 Dollars (\$12,997.78).

There was next presented a revised statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed in FEMA Appeal matters through April 30, 2015, in the amount of Three Hundred Sixty and no/100 Dollars (\$360.00).

The Clerk next directed the attention of the Board of Trustees to the fact that D.A. Davidson & Co. will purchase Thirteen Thousand Three Hundred Fifty-Seven and 78/100 Dollars (\$13,357.78) in warrants at this time and that the contracted charge for such purchase of warrants is three percent (3%) or Four Hundred and 73/100 Dollars (\$400.73) in accordance with the financing agreement previously adopted by the Board. The Chairman recommended the issuance of a warrant for such amount to D.A. Davidson & Co.

There were next presented statements from Nebraska Public Power District, for lighting at Highway 75, from March 15, 2015, through May 15, 2015, having a credit balance in the amount of One Hundred Seventy-Four and 21/100 Dollars (\$174.21).

There were next presented statements of Summary Account #5843000090 from Omaha Public Power District, for street lights and other electrical services, in the aggregate amount of Four Thousand Nine Hundred Twenty-One and 37/100 Dollars (\$4,921.37).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Noerrlinger Construction, for heavy equipment rental to do miscellaneous District maintenance, Invoice #557, in the amount of One Thousand One Hundred Ninety-Seven and 50/100 Dollars (\$1,197.50).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Commercial Seeding Contractors, for overseeding sections of the levee and installing erosion control blanket, Invoice #14851, in the amount of Five Thousand Three Hundred Sixty-Four and no/100 Dollars (\$5,364.00).

There was next presented a statement from Arthur J. Gallagher & Co., for renewal of general liability insurance, Invoice #1216706, in the amount of Two Thousand One Hundred Fifty and no/100 Dollars (\$2,150.00).

There were next presented statements from Nebraska Public Health Environmental Laboratory, for well water testing, as follows: (i) Invoice #461338, in the amount of Two Hundred Fifty-Two and no/100 Dollars (\$252.00), and (ii) Invoice #462305, in the amount of Fifteen and no/100 Dollars (\$15.00); said statements being in the aggregate amount of Two Hundred Sixty-Seven and no/100 Dollars (\$267.00).

There was next presented a statement from Meeske Ace Hardware, for miscellaneous purchases for the District, statement dated March 31, 2015, in the amount of Eighty-Eight and 90/100 Dollars (\$88.90).

There was next presented a statement from Wright National Flood Insurance Company, for flood insurance from July 2, 2015 through July 2, 2016, Policy #26 QT43349970, in the amount of Six Hundred Thirty and no/100 Dollars (\$630.00).

There were next presented statements from One Call Concepts, Inc., for line locates within the District, as follows: (i) Invoice #5020572, in the amount of Seventy-Five Cents (\$.75), (ii) Invoice #5030572, in the amount of Five and 95/100 Dollars (\$5.95), and (iii) Invoice #5040568, in the amount of Six and 30/100 Dollars (\$6.30); said statements being in the aggregate amount of Thirteen and no/100 Dollars (\$13.00). **The Board was next reminded that it has a credit balance at this time.**

There were next presented statements from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in miscellaneous District matters through May 15, 2015, as follows: (i) Invoice #108976, in the amount of One Thousand Five Hundred Twelve and 80/100 Dollars (\$1,512.80), and (ii) Invoice #109674, in the amount of One Thousand Eight Hundred Thirty-Seven and no/100 Dollars (\$1,837.00); said statements being in the aggregate amount of Three Thousand Three Hundred Forty-Nine and 80/100 Dollars (\$3,349.80).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed through April 30, 2015, in the amount of Three Thousand Two Hundred Twenty and 75/100 Dollars (\$3,220.75), and costs advanced in the amount of Ninety-Three and 69/100 Dollars (\$93.69); said statement being in the aggregate amount of Three Thousand Three Hundred Fourteen and 44/100 Dollars (\$3,314.44).

There were next presented invoices from Jim Noerrlinger, requesting reimbursement be made to Lake Waconda Association for miscellaneous purchases as follow: (i) receipt from Bomgaars, for the purchase of grass seed, in the amount of Eighty-Five and 07/100 Dollars (\$85.07), (ii) receipt from Lowe's, for purchase of closet door for the lake home, in the amount of One Hundred Ninety and 44/100 Dollars

(\$190.44), (iii) receipts from Menards for trim for the lake house, in the amount of Five Hundred Fifty-Fifty-Nine and 19/100 Dollars (\$559.19), (iv) receipt from Omaha/Council Bluffs Plumbing Inc., for replacing backflow in pump house, in the amount of Eight Hundred Ninety and no/100 Dollars (\$890.00), and (v) receipt from The Home Depot, for the purchase of new dishwasher for the lake house, in the amount of Five Hundred Seventy-Five and 86/100 Dollars (\$575.86); said receipts being in the aggregate amount of Two Thousand Three Hundred and 56/100 Dollars (\$2,300.56).

The Board next discussed a method to facilitate the timely payment of charges to the Lake Waconda Association to avoid timing lags between meetings of the District. It was determined that the Board would authorize the payment of four installments for the period of July 1, 2015, October 1, 2015, January 1, 2016 and April 1, 2016, each in the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), with delivery of such warrants to be delayed until approved by the District's clerk. Thereafter, upon a motion duly made and seconded and upon a roll call vote, all the Trustees, Gary Kaplan, Jon Meyers, Phillip Wright, Wayne Breyfogle and Hugh Abrahamson voted "Aye" with none voting "Nay" thereby adopting these payments to the Lake Waconda Association.

Attention was next directed to the Board of Trustees to the fact that D.A. Davidson & Co. will purchase Seventy-Three Thousand Five Hundred Eighty-Three and 57/100 Dollars (\$73,583.57) in general fund warrants at this time and that the contracted charge for such purchase of warrants is two percent (2%) or One Thousand Four Hundred Seventy-One and 67/100 Dollars (\$1,471.67), in accordance with the financing agreement previously adopted by the Board. The issuance of a warrant was recommended for such amount to D.A. Davidson & Co.

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. 4974 through 4978, 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 May 27, 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 Nos. 4974 and 4975, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4976, for the amount of Two Thousand Nine Hundred Ninety-Seven and 78/100 Dollars (\$2,997.78), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 4977, for the amount of Three Hundred Sixty and no/100 Dollars (\$360.00), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 4978, for the amount of Four Hundred and 73/100 Dollars (\$400.73), 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. 4979 through 4994, 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 May 27, 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. 4979, for the amount of Four Thousand Nine Hundred Twenty-One and 37/100 Dollars (\$4,921.37), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 4980, for the amount of One Thousand One Hundred Ninety-Seven and 50/100 Dollars (\$1,197.50), payable to Noerrlinger Construction.

Warrant No. 4981, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4982, for the amount of Three Hundred Sixty-Four and no/100 Dollars (\$364.00), payable to Commercial Seeding Contractors.

Warrant No. 4983, for the amount of Two Thousand One Hundred Fifty and no/100 Dollars (\$2,150.00), payable to Arthur J. Gallagher & Co.

Warrant No. 4984, for the amount of Two Hundred Sixty-Seven and no/100 Dollars (\$267.00), payable to Nebraska Public Health Environmental Laboratory.

Warrant No. 4985, for the amount of Eighty-Eight and 90/100 Dollars (\$88.90), payable to Meeske Ace Hardware.

Warrant No. 4986, for the amount of Six Hundred Thirty and no/100 Dollars (\$630.00), payable to Wright National Flood Insurance Company.

Warrant No. 4987, for the amount of Three Thousand Three Hundred Forty-Nine and 80/100 Dollars (\$3,349.80), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 4988, for the amount of Three Thousand Three Hundred Fourteen and 44/100 Dollars (\$3,314.44), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 4989, for the amount of Two Thousand Three Hundred and 56/100 Dollars (\$2,300.56), payable to Lake Waconda Association.

Warrant No. 4990, for the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), payable to Lake Waconda Association.

Warrant No. 4991, for the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), payable to Lake Waconda Association.

Warrant No. 4992, for the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), payable to Lake Waconda Association.

Warrant No. 4993, for the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), payable to Lake Waconda Association.

Warrant No. 4994, for the amount of One Thousand Four Hundred Seventy-One and 67/100 Dollars (\$1,471.67), 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 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 was next presented a receipt from Cass County Treasurer representing a deposit to the District's general fund for cash rent from Noerrlinger Farms, Inc., in the amount of Nine Thousand Four Hundred Forty-Four and no/100 Dollars (\$9,444.00).

Daren Konda then presented a list of various items for discussion and review by the Board.

The 2015 Chip Seal project is scheduled to begin on June 1, 2015, with no work to be allowed on July 2 through July 5, 2015, with the roads to be left in a passable condition for passenger vehicles. All work is to be completed by July 31, 2015. The Board discussed preliminary pot hole patching in advance of the 4th of July holiday and authorized such work, assuming that the cost of mobilization could be kept under \$1,000.00. Mr. Konda indicated to the Board that the pre-patch work would facilitate the Chip Seal project in general.

The Board next thoroughly reviewed an emergency pumping plan in the event of high water conditions caused by flooding conditions on the Missouri River or otherwise. The Board discussed the various prospects of either purchasing pumps or setting up an option giving the District preferred priority in renting pumps from various providers, such as NMC Pump Rental. The Board agreed to stay in regular contact with pump rental rates and further unanimously agreed to purchase a gator pump for approximately \$15,000.00 in order to provide gap coverage before such rental pumps could be placed in

position. The Board also directed Daren Konda to solicit bids for hoses for pumping and to establish appropriate inventories of materials to assist in any pumping that may occur.

There was next a discussion of the restoration of the borrow area to natural vegetation. The Board concluded, at the end of such discussion, that it would allow the summer natural revegetation to occur. The Board would then review how successful such had been in the fall for contractor seeding at such time.

A review was made of potential for fish management within the lake. Discussion was had as to the various species of fish that may exist in the lake. Nebraska Game and Park Department representatives were to be contacted to establish options for the District to economically review and, perhaps reestablish an appropriate fish population in the lake.

Levee Inspection PL 84-99 – the overall system of the levee was discussed. The overall system rating is minimally acceptable with a rehabilitation program being active to upgrade such status. Mr. Konda reviewed with the Board several points which needed to be addressed and were in the process of being concluded, those items being:

- Submit documentation for permit closure and culvert condition
- Update O&M Manual
- Remove trees from levee section – complete by Jim Noerrlinger
- Repair wash out on south end near farm pump discharge -- complete by Jim Noerrlinger
- “Work towards moving farming away from toe of the levee” (15 foot zone). Consider additional easement – survey scheduled for June, easement documents being drafted. Farm operations have been moved back; identify value of property

The Board, in addition, discussed the removal of certain trees in the area of the levee, as well as planting of trees throughout the Wa-Con-Da area in District right-of-way.

A general discussion was next had as to the lake level. Discussion was had as to just how accurate readings have been and the possibility that the monitor used by the lake caretaker had been repositioned during the winter. Further conversation was had regarding the integrity of the lake bottom and its ability to consistently retain water levels within the lake. Bull Frog Bay was specifically discussed as to the status of its liner, as well as conversation as to the ability of the entire lake, after the flood event, to consistently hold water to the appropriate level. Various options to reestablish a lake bed of better integrity were discussed.

The Board next discussed long-range planning and, specifically, the installation of a general sanitary sewer system within the Wa-Con-Da boundaries. The Board requested that Daren Konda present a proposal for the cost of the preparation of a report for the development of a sanitary sewer system and treatment facility by Wa-Con-Da, as well as the availability of federal or state grants or low interest loans for such purpose. The Board tabled further discussion until the cost estimate and scope of work was presented by Thompson, Dreessen & Dorner, Inc.

Jim Noerrlinger next presented the request for an easement for the installation of a lateral sewer for Lot 203. Discussion was had by the Board which was directed by Daren Konda regarding new state regulatory policies for the installation of a lateral. It was indicated that the new policy of the State of Nebraska was to require that not only plans for the primary lateral system be reviewed and approved, but also a secondary alternative field be provided. The Board thoroughly discussed the implications of this on a prospective basis for Wa-Con-Da. At the conclusion of such discussion, the Board approved a lateral for Lot 203, provided that such lateral, in this instance, could encroach within fifteen (15) feet of the District street and further providing that the secondary lateral field be allowed by the Board immediately across the street from Lot 203, but that such easement would establish that before installation of such field, the

Board would have the ability to approve plans and installation for such secondary field and withhold approval in its absolute discretion.

Kraig Thelen next presented a report as to the status of the various FEMA/NEMA reimbursements. He indicated and presented a spreadsheet which stated that within the next several weeks reimbursement of the approximate amount of \$1,970,000.00 would be received by the District. Additionally, approximately \$330,000.00 would be reimbursed to the District some time before Labor Day. The Board received this information and determined that such would be of great assistance in setting the District's budget and tax rate requirements in September.

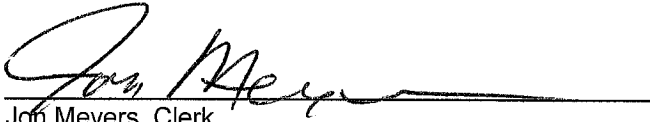
The Board next unanimously approved the establishment of an emergency connection for filling the lake from the Noerrlinger well.

The Board finally agreed to schedule its next meeting at the Cobb Center at Lake Wa-Con-Da on July 12, 2015 at 11:00 a.m., with the appropriate public notices to be given.

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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 May 27, 2015, meeting.


Jon Meyers, Clerk