

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 14th day of May, 2014, at Regency Center, 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present: Gary Kaplan, Jon Meyers, Wayne Breyfogle, and Hugh Abrahamson. Also present: Daren Konda of Thompson, Dreessen & Dörner, Inc., engineers for the District and Jim Noerlinger, Caretaker of Lake Wa-Con-Da.

Absent: Phillip G. Wright.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on May 8, 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 presented with consideration of its outstanding bills and invoices.

There was next presented a statement Thompson, Dreessen & Dörner, 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. 1, in the amount of Fifty-Two Thousand Six Hundred Forty-Six and 02/100 Dollars (\$52,646.02).

There was next presented an invoice from Kraig J. Thelen, for professional services in connection with various filings with NEMA, Invoice #101-14, in the amount of One Thousand Five Hundred Thirty and no/100 Dollars (\$1,530.00).

There were next presented invoices from Thompson, Dreessen & Dörner, Inc., engineers for the District, for services rendered in construction-related matters, as follows: (i) Invoice #104403, in the amount of Two Thousand Two Hundred Twenty-Nine and 50/100 Dollars (\$2,229.50), (ii) Invoice #104404, in the amount of One Hundred Fifty-Seven and 50/100 Dollars (\$157.50), (iii) Invoice #104405, in the amount of Two Thousand Seven Hundred Twenty and 21/100 Dollars (\$2,720.21), (iv) Invoice #104406, in the amount of Two Thousand Eight Hundred Seventy-Two and 81/100 Dollars (\$2,872.81), (v) Invoice #104408, in the amount of Seventeen Thousand Eight Hundred Seventy-Two and 90/100 Dollars (\$17,872.90), and (vi) Invoice #104409, in the amount of Two Thousand Two Hundred Ninety-Five and 60/100 Dollars (\$2,295.60); said statements being in the aggregate amount of Twenty-Eight Thousand One Hundred Forty-Eight and 52/100 Dollars (\$28,148.52).

The Clerk next directed the attention of the Board of Trustees to the fact that D.A. Davidson & Co. will purchase Eighty-Two Thousand Three Hundred Twenty-Four and 54/100 Dollars (\$82,324.54) in

warrants at this time and that the contracted charge for such purchase of warrants is three percent (3%) or Two Thousand Four Hundred Sixty-Nine and 74/100 Dollars (\$2,469.74) 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 January 20, 2014, through April 16, 2014, having a credit balance in the amount of Two Hundred Seven and 04/100 Dollars (\$207.04).

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 Five Thousand Seven Hundred Fifty-Two and 24/100 Dollars (\$5,752.24).

There were next presented statements from Meeske Ace Hardware, for miscellaneous purchases for the District, as follows: (i) statement dated March 31, 2014, in the amount of Ten and 64/100 Dollars (\$10.64), and (ii) statement dated April 30, 2014, in the amount of Four and 25/100 Dollars (\$4.25); said statements being in the aggregate amount of Fourteen and 89/100 Dollars (\$14.89).

There was next presented a statement from Nebraska Public Health Environmental Laboratory, for well water testing, Invoice #450320, in the amount of Four Hundred Ninety-Seven and no/100 Dollars (\$497.00).

There were next presented statements from One Call Concepts, Inc., for line locates within the District, as follows: (i) Invoice #4030461, in the amount of Four and 05/100 Dollars (\$4.05), and (ii) Invoice #4040459, in the amount of Two and 25/100 Dollars (\$2.25); said statements being in the aggregate amount of Six and 30/100 Dollars (\$6.30). **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 maintenance, as follows: (i) Invoice #104402, in the amount of Three Thousand Nine Hundred Five and 05/100 Dollars (\$3,905.05), and (ii) Invoice #104407, in the amount of Six Hundred Six and 26/100 Dollars (\$606.26); said statements being in the aggregate amount of Four Thousand Five Hundred Eleven and 31/100 Dollars (\$4,511.31).

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 Five Thousand Four Hundred and no/100 Dollars (\$5,400.00), and costs advanced in the amount of One Thousand Ninety-Six and 42/100 Dollars (\$1,096.42); said statement being in the amount of Six Thousand Four Hundred Ninety-Six and 42/100 Dollars (\$6,496.42).

There was next presented an invoice from Wayne Breyfogle, requesting reimbursement be made to Lake Waconda Association for payment made to Noerrlinger Construction Inc., for the use of heavy equipment for miscellaneous District maintenance and miscellaneous District purchases, Invoice #540, the District is responsible for the amount of One Thousand Nine Hundred Three and no/100 Dollars (\$1,903.00).

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 Bomgaars, for fescue seed, in the amount of One Hundred Sixty and 50/100 Dollars (\$160.50), (ii) Invoice from ASP Enterprises, for straw blanket, statement dated April 30, 2014, in the amount of One Hundred Seventeen and 95/100 Dollars (\$117.95), (iii) Invoice from Noerrlinger Construction Inc., for the use of heavy equipment for miscellaneous District maintenance, Invoice \$541, in the amount of One Thousand Eighteen and 75/100 Dollars (\$1,018.75), and (iv) Invoice from Aquacide Company, for liquid herbicide and spray adjuvant, Invoice #488.658, in the amount of Three Hundred Thirty-Two and no/100 Dollars

(\$332.00); said statements being in the aggregate amount of One Thousand Six Hundred Twenty-Nine and 20/100 Dollars (\$1,629.20). **The Board was next reminded that there was a past overpayment to Lake Waconda Association in the amount of Seventy-Five and 43/100 Dollars (\$75.43), so payment is to be made in the amount of One Thousand Five Hundred Fifty-Three and 77/100 Dollars (\$1,553.77).**

There was next presented a statement from Gallagher Grace/Mayer, for flood insurance on the caretaker's house, in the amount of Three Hundred Ninety and no/100 Dollars (\$390.00).

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. 4650 through 4668, 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 14, 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. 4650 through 4659, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4660, for the amount of Two Thousand Six Hundred Forty-Six and 02/100 Dollars (\$2,646.02), payable to Kerns Excavating Co., Inc.

Warrant No. 4661, for the amount of One Thousand Five Hundred Thirty and no/100 Dollars (\$1,530.00), payable to Kraig J. Thelen.

Warrant Nos. 4662 through 4666, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4667, for the amount of Three Thousand One Hundred Forty-Eight and 52/100 Dollars (\$3,148.52), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 4668, for the amount of Two Thousand Four Hundred Sixty-Nine and 74/100 Dollars (\$2,469.72), 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. 4669 through 4678, 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 14, 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. 4669, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4670, for the amount of Seven

Hundred Fifty-Two and 24/100 Dollars (\$752.24), payable to Omaha Public Power District, Account #584300090.

Warrant No. 4671, for the amount of Fourteen and 89/100 Dollars (\$14.89), payable to Meeske Ace Hardware.

Warrant No. 4672, for the amount of Four Hundred Ninety-Seven and no/100 Dollars (\$497.00), payable to Nebraska Public Health Environmental Laboratory.

Warrant No. 4673, for the amount of Four Thousand Five Hundred Eleven and 31/100 Dollars (\$4,511.31), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 4674, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4675, for the amount of One Thousand Four Hundred Ninety-Six and 42/100 Dollars (\$1,496.42), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 4676, for the amount of One Thousand Nine Hundred Three and no/100 Dollars (\$1,903.00), payable to Lake Waconda Association.

Warrant No. 4677, for the amount of One Thousand Five Hundred Fifty-Three and 77/100 Dollars (\$1,553.77), payable to Lake Waconda Association.

Warrant No. 4678, for the amount of Three Hundred Ninety and no/100 Dollars (\$390.00), payable to Gallagher Grace/Mayer.

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., engineers for the District, appeared to give the Board a status report on the construction projects presently underway or to be commenced in the near

term by the District. With regard to the Kerns contract, Mr. Konda indicated that they had made significant progress on the storm sewer installation within the last two weeks. All work to date appeared to have been done in a satisfactory fashion with a June 6, 2014, completion date probable and expected.

The Mark Hughes sand placement contract was very close to completion and appeared that it would be done in such a fashion as not to interfere with the street work to be undertaken in June. Asphalt repairs were scheduled to commence in June. There has been scheduled a pre-construction meeting for the chip seal project within the next week to ten days, with a starting date of approximately June 6, 2014. The Board also discussed a change order to the Kerns contract for the installation of storm sewer in the area of Bull Frog Bay, if the appropriate easements suggested by the engineers could be acquired. It was indicated by our engineers that such change order would not exceed \$10,000. Prior to authorizing the work under the change order, Board members were to be electronically contacted for their acquiescence in both the dollar amount and the scope of the change order.

The Board also discussed other potential street improvements in the area of Mid Lake Drive and Bull Frog Bay.

The Board then undertook a discussion of certain problems with both fire coverage within the District boundaries, as well as 911 operators. The Board undertook a discussion and decided to press the Fremont Iowa Sheriff to solve existing problems with his 911 system to insure the proper forwarding of such calls in the future.

The Board also asked that at the Board's next regularly scheduled meeting, the issue of proper regulations and management of the dump site within the District be discussed, as well as the establishment of a new protocol/rules for the crossing of District streets for the installation of laterals in view of the chip sealing/asphalt work being done on the reconstructed streets.

The Board next reviewed the Hazard Mitigation Group Plan screening worksheet presented for potential reimbursement from the Lower Platte South NRD for certain projects scheduled within such worksheet. The Board undertook an extensive discussion as to the importance of each of such projects and prioritizing which would be most important to the District and its residents. After an extensive discussion, the Board agreed as far as its application to such Agency, to rate the importance of such projects as follows:

1. Drainage Improvements
2. Levee Improvements
3. Infrastructure to Improve Cell Coverage
4. Permanent Storm Water Pump System

Such submittal would be made to the NRD, with further discussion to occur at the Board's June meeting.

Jim Noerrlinger next made his Caretaker's Report as to various situations within the District. He presented an application for a lateral easement from Craig Williams, with both the requisite easement description and check consistent with the District's fee policy. The easement was approved.

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 & Dörner, Inc., the consulting engineers for the District, for the **AMENDED** cost of such improvement estimated to be in the total amount of Fifty-Five Thousand Five Hundred and no/100 Dollars (\$55,500.00). The Clerk was directed to attach a copy of the **REVISED** 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, 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 **AMENDED** 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 NOON on June 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 **AMENDED** Resolution of Advisability and Necessity may appear and make objections to the proposed improvement, and if a petition opposing the proposed **AMENDED** 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 **AMENDED** resolution is filed with the Clerk of the District within three days before the date set for hearing on such **AMENDED** resolution, such **AMENDED** 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 29th day of May, 2014, and ending on the 5th day of June, 2014, which publication shall contain the entire wording of the proposed **AMENDED** 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 & Dorner, Inc., the consulting engineers for the District, for the **AMENDED** cost of such improvement estimated to be in the total amount of Four Hundred Eighty-Three Thousand Eight Hundred Sixty-Two and no/100 Dollars (\$483,862.00). The Clerk was directed to attach a copy of the **REVISED** 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, Wayne Breyfogle and Hugh Abrahamson voted "Aye" with none voting "Nay" thereby adopting the following resolution:

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